



**REGISTRATION DOCUMENT**  
AND ANNUAL FINANCIAL REPORT

2016

## KEY FIGURES FOR 2016



NUMBER OF PASSENGERS IN  
PARIS AIRPORTS

**97.2 MPAX**



NUMBER OF GROUP  
PASSENGERS

**240 MPAX**



NUMBER OF AIRPORTS  
MANAGED WORLDWIDE

**23**



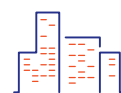
SALES/PAX

**€18.2**



RETAIL SPACE

**56,800 sq.m**



RELA ESTATE AREA  
DEVELOPED IN 2016

**68,600 sq.m**



REVENUE

**€2,947 M**



EBITDA

**€1,195 M**



NET INCOME ATTRIBUTABLE  
TO THE GROUP

**€435 M**



**GROUPE ADP**



Aéroports de Paris  
Société anonyme au capital de 296 881 806 euros  
Siège social : 1 rue de France – 93290 Tremblay-en-France  
552 016 628 RCS Bobigny



# REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT

Registration Document and annual financial report

Copies of this Registration Document (“the Registration Document and Annual Financial Report”) are available free of charge from Aéroports de Paris, 1, rue de France, 93290 Tremblay-en-France, as well as on the Aéroports de Paris website ([www.groupeadp.fr](http://www.groupeadp.fr)) and on the AMF (French Financial Markets Authority) website ([www.amf-france.org](http://www.amf-france.org)).

In due application of Article 28 of the European Commission's regulation EC No. 809/2004, this Registration Document refers to information contained in:

- ◆ the annual and consolidated financial statements of Aéroports de Paris for the financial year ended 31 December 2015 and the reports by the Statutory Auditors on these financial statements, presented in Chapter 20 of the Aéroports de Paris Registration Document filed with the AMF on 31 March 2016 under number D. 16-0248 (the “2015 Registration Document”);
- ◆ the annual and consolidated financial statements of Aéroports de Paris for the financial year ended 31 December 2014 and the reports by the Statutory Auditors on these financial statements, presented in Chapter 20 of the Aéroports de Paris Registration Document filed with the AMF on 2 April 2015 under number D. 15-0281 (the “2014 Registration Document”);
- ◆ examination of the financial position and income of Aéroports de Paris for the financial years ended 31 December 2014 and 2015, presented in Chapter 9 of the 2014 and 2015 Registration Documents;
- ◆ the Statutory Auditors' report on related party agreements and commitments for the financial years ended 31 December 2014 and 2015, presented in appendix 1 of the 2014 and 2015 Registration Documents.



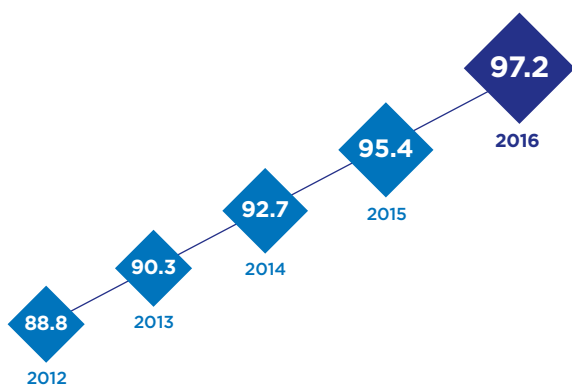
This Registration Document was filed with the AMF on 31 March 2017, in accordance with Article 212-13 of its General Regulation. It may be used for financial transactions if supported by an AMF approved information memorandum. This document was drawn up by the issuer and is binding for its signatories.

# PROFILE OF GROUPE ADP

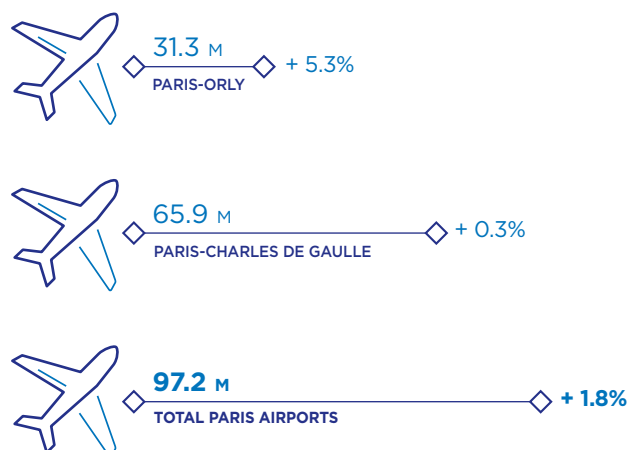
## 23 AIRPORTS MANAGED AROUND THE WORLD



NUMBER OF PASSENGERS USING  
PARIS AIRPORTS (in millions)



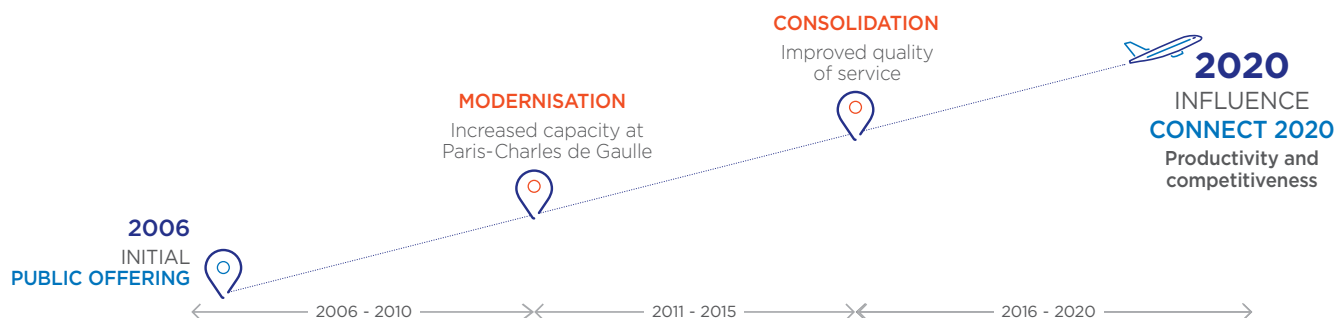
PASSENGERS PER PARISIAN AIRPORT IN 2016  
(in millions)





# STRATEGY OF GROUPE ADP

## GROUPE ADP, CONSTANTLY EVOLVING SINCE ITS INITIAL LISTING ON THE STOCK EXCHANGE



## CONNECT 2020 A 2016-2020 STRATEGIC PLAN TO SERVE OUR AMBITION

### CONNECT

our infrastructures in Paris:  
**OPTIMISE**

- Optimise our airports, our tariffs structure and our costs to increase our competitiveness



**CONNECT** our passenger and airline customers and motivate our employees: **ATTRACT**

- High standards of quality and excellence, for connecting customers in particular

**CONNECT** Aéroports de Paris with territories and with the rest of the world: **EXPAND**

- Realise the CDG Express
- Export our expertise to new markets

## BE A LEADING GROUP IN AIRPORT DESIGN, CONSTRUCTION AND OPERATION



OPTIMISE



ATTRACT



EXPAND



### Augustin de Romanet, Chairman and CEO of Aéroports de Paris stated that:

"2016 results showed the responsiveness of Groupe ADP in a difficult context. Traffic in Paris Aéroport exceeded 97 million passengers, growing by 1.8%, driven by the dynamism of European traffic and the recovery of international traffic at the end of the year. Retail activities resisted in 2016, thanks to the good performance of bars and restaurants and other shops, offsetting the decrease in sales per pax of airside shops. EBITDA grew slightly, to €1,195 million, thanks to the control over operating expenses, unfavorable and favourable non-recurring items offsetting each other. Our stake portfolio is optimised, with the sale of our Mexican stake and with the proposed disposal of TAV Construction. The net result attributable to the group is consequently slightly growing, to €435 million, and allows to propose the shareholder general meeting a dividend that is slightly higher than in 2015, to €2.64/share.

In 2016, Groupe ADP got closer to its passengers customers with the launch of the new brand universe and the loyalty programme, and with the building of the new head offices in Paris-Charles de Gaulle. 2016 was the year in which new services were set in our airports, as the lounge Instant Paris for all passengers, and the year that saw decisive steps for the launch of CDG Express project.

In 2017, on the basis of a traffic growth assumption of between +1.7% and +2.2% compared to 2016, EBITDA is expected in upward trend, favourably impacted by the planned-to-date extraordinary income. In 2017, Groupe ADP will keep a payout of 60% of the net result attributable to the group and commit in addition to maintain a dividend by share at least equal to that proposed for 2016, that is to say €2.64 per share."

# CONTENTS

<b>01</b>	<b>PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT</b> <sup>AFR</sup>	<b>7</b>	<b>09</b>	<b>REVIEW OF THE FINANCIAL POSITION AND INCOME</b> <sup>AFR</sup>	<b>78</b>
1.1	Person responsible for the 2016 Registration Document and Annual Financial Report	7	9.1	Key figures	79
1.2	Report of the person in charge	7	9.2	Analysis of 2016 results	79
<b>02</b>	<b>STATUTORY AUDITORS</b>	<b>8</b>	9.3	Highlights of the 2016 financial year	85
2.1	Standing Statutory Auditors for the 2016 financial year	8	<b>10</b>	<b>EQUITY AND CASH FLOWS</b> <sup>AFR</sup>	<b>90</b>
2.2	Substitute Statutory Auditors for the 2016 financial year	8	10.1	Shareholder equity	90
<b>03</b>	<b>SELECTED FINANCIAL INFORMATION</b>	<b>9</b>	10.2	Cash flow	90
3.1	Restatement of 2015 financial statements for comparison with 2016	10	10.3	Indebtedness	92
3.2	Summary consolidated income statement	10	10.4	Financial risk management	92
3.3	Summary consolidated balance sheet	10	10.5	Group commitments	92
3.4	Summary consolidated cash flows statement	11	<b>11</b>	<b>RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES</b>	<b>93</b>
3.5	Financial debt	11	11.1	Research and development	93
<b>04</b>	<b>RISK FACTORS</b> <sup>AFR</sup>	<b>12</b>	11.2	Trademarks, patents and licences	93
4.1	Risk factors	12	<b>12</b>	<b>INFORMATION CONCERNING TRENDS</b>	<b>94</b>
4.2	Risk management	18	12.1	Recent events	94
<b>05</b>	<b>INFORMATION ON THE COMPANY</b>	<b>21</b>	12.2	Forecasts	95
5.1	Information	21	<b>13</b>	<b>PROFIT FORECASTS</b>	<b>96</b>
5.2	History of the Company	22	13.1	2016-2020 period guidances	96
5.3	capital expenditures	24	13.2	2017 group forecasts	96
<b>06</b>	<b>BUSINESS OVERVIEW</b>	<b>28</b>	13.3	Report of the Statutory Auditors on the profit forecast	97
6.1	Presentation of the activity	28	<b>14</b>	<b>ADMINISTRATION AND EXECUTIVE MANAGEMENT BODIES</b>	<b>98</b>
6.2	Overview of the market	33	14.1	Board of Directors <sup>AFR</sup>	98
6.3	Description of the airports owned or operated by Groupe ADP	39	14.2	Personal information concerning the members of the Board of Directors	110
6.4	Description of activities	49	<b>15</b>	<b>COMPENSATION AND BENEFITS OF CORPORATE OFFICERS</b>	<b>112</b>
<b>07</b>	<b>ORGANISATION CHART</b>	<b>74</b>	15.1	Corporate officer compensation <sup>AFR</sup>	112
7.1	Simplified GROUPE ADP organisation chart as at 31 December 2016	74	15.2	Compensation paid to Board members	115
<b>08</b>	<b>REAL ESTATE ASSETS AND FACILITIES</b>	<b>76</b>	15.3	Compensation paid to non-voting Board members	115
8.1	Real estate assets and facilities	76	15.4	Company shares held by directors and non-voting Board members	115
8.2	Environmental constraints	77	15.5	Compensation of Executive Committee members	116

The items included in the Annual Financial Report are identified using the pictogram <sup>AFR</sup>

<b>16</b>	<b>FUNCTIONING OF THE BOARD OF DIRECTORS AND MANAGEMENT BODIES</b>	<b>117</b>	<b>21</b>	<b>ADDITIONAL INFORMATION ON THE SHARE CAPITAL AND PROVISIONS OF THE ARTICLES OF ASSOCIATION <sup>AFR</sup></b>	<b>253</b>
16.1	Functioning of the Board of Directors and management bodies <sup>AFR</sup>	117	21.1	Information on the share capital	253
16.2	Functioning of the committees linked to the Board of Directors	122	21.2	Provisions of the articles of association	256
16.3	Corporate governance – Adherence to the principles of governance	124	<b>22</b>	<b>MATERIAL CONTRACTS</b>	<b>259</b>
<b>17</b>	<b>SOCIAL, ENVIRONMENTAL AND SOCIETAL RESPONSIBILITY INFORMATION</b>	<b>125</b>	<b>23</b>	<b>INFORMATION FROM THIRD PARTIES, EXPERT STATEMENTS AND STATEMENTS OF INTEREST</b>	<b>260</b>
17.1	Social information	126	<b>24</b>	<b>DOCUMENTS AVAILABLE TO THE PUBLIC</b>	<b>261</b>
17.2	Social indicators for GROUPE ADP	133	<b>25</b>	<b>INFORMATION ON ACQUISITIONS</b>	<b>263</b>
17.3	Aéroports de Paris Corporate Social Responsibility (CSR) policy	134	<b>A1</b>	<b>APPENDIX 01</b>	<b>264</b>
17.4	Environmental information	135		<b>STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS</b>	<b>264</b>
17.5	Societal responsibility information	142		General meeting of shareholders to approve the financial statements for the year ended 31 December 2016	264
17.6	Methodological note on social, societal and environmental reporting	145	<b>A2</b>	<b>APPENDIX 2</b>	<b>277</b>
<b>18</b>	<b>MAIN SHAREHOLDERS</b>	<b>149</b>		<b>CHAIRMAN OF THE BOARD OF DIRECTORS REPORT</b>	<b>277</b>
18.1	Shareholding of the Company <sup>AFR</sup>	149		Report by the Chairman of the Board of Directors on the composition of the Board and the application of gender equality within it, the conditions for preparing and organising its work and the internal control and risk management procedures put in place by Aéroports de Paris for the period ending on 31 December 2016 (article L. 225-37 of the <i>Code de commerce</i> (French commercial code))	277
18.2	Change in the control of the Company <sup>AFR</sup>	150	<b>A3</b>	<b>APPENDIX 3</b>	<b>302</b>
18.3	Shareholder agreement	151		<b>STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF FRENCH COMMERCIAL CODE (CODE DE COMMERCE) ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF AÉROPORTS DE PARIS</b>	<b>302</b>
<b>19</b>	<b>OPERATIONS WITH RELATED PARTIES</b>	<b>153</b>	<b>A4</b>	<b>APPENDIX 4</b>	<b>304</b>
19.1	Relations with Government authorities and administrative authorities	153		<b>ANNUAL FINANCIAL REPORT</b>	<b>304</b>
19.2	Operations with related parties	154			
<b>20</b>	<b>FINANCIAL INFORMATION ON ASSETS, FINANCIAL POSITION AND RESULTS <sup>AFR</sup></b>	<b>155</b>			
20.1	Groupe ADP Consolidated Financial Statements and notes as of 31 December 2016	156			
20.2	statutory auditors' report on the consolidated financial statements	220			
20.3	Company Financial Statements and Notes of Aéroports de Paris SA at 31 December 2016	222			
20.4	Statutory Auditors' report on the financial statements	250			
20.5	<i>Pro forma</i> financial data	251			
20.6	Not applicable Interim financial data	251			
20.7	Dividend distribution policy	251			
20.8	Legal and arbitration proceedings	251			
20.9	Material change in the financial or commercial position since 31 December 2016	252			





01

# PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT <sup>AFR</sup>

In this Registration Document, the terms “Aéroports de Paris” and “the Company” both refer to the company Aéroports de Paris SA. The term “group” refers to the group of companies formed by the Company and all of its subsidiaries and associates.

Since 14 April 2016, “Groupe ADP” is the group corporate brand and “Paris Aéroport” is the Travellers brand.

## 1.1 PERSON RESPONSIBLE FOR THE 2016 REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT

Augustin de Romanet, Chairman and Chief Executive Officer of Aéroports de Paris - Groupe ADP.

## 1.2 REPORT OF THE PERSON IN CHARGE

Having taken all reasonable measures for such a purpose, I certify that, to the best of my knowledge, the information contained in this Registration Document, including its appendices, is accurate and correct and contains no omission likely to affect its meaning.

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all the companies included in the consolidation and that the management report included in the Annual Financial Report included in this document, presents a true picture of the development

of the business, income and financial position of the Company and all of the companies included in the consolidation as well as a description of the main risks and uncertainties that they face.

I have obtained an Accountant's certificate from the Statutory Auditors, in which they state that they have verified the information relating to the financial position and the financial statements provided for herein, and that they have read the document in its entirety. This letter does not contain observations.

The Chairman and Chief Executive Officer

**Augustin de Romanet**



02

## STATUTORY AUDITORS

### 2.1 STANDING STATUTORY AUDITORS FOR THE 2016 FINANCIAL YEAR

The following Standing Statutory Auditors were appointed by the Annual General Meeting of Shareholders of 18 May 2015 for a period of six years, i.e. until the end of the Annual General Meeting of Shareholders that will vote on the financial statements for the year ending 31 December 2020:

**Ernst & Young Audit**, 1/2, place des Saisons, 92400 Courbevoie Paris-La Défense 1.

Appointed on 28 May 2009 and renewed by the General Meeting of Shareholders of 18 May 2015.

**Deloitte & Associés**, 185, avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine.

Appointed by the General Meeting of Shareholders of 18 May 2015.

### 2.2 SUBSTITUTE STATUTORY AUDITORS FOR THE 2016 FINANCIAL YEAR

The following Alternate Statutory Auditors were appointed by the Annual General Meeting of Shareholders of 18 May 2015 for a period of six years, i.e. until the end of the Annual General Meeting of Shareholders that will vote on the financial statements for the year ending 31 December 2020:

**Auditex**, Faubourg de l'Arche, 92037 Paris-La Défense Cedex.

Appointed on 28 May 2009 and renewed by the General Meeting of Shareholders of 18 May 2015.

**BEAS**, 195, avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine.

Appointed by the General Meeting of Shareholders of 18 May 2015.



03

## SELECTED FINANCIAL INFORMATION

<b>3.1</b>	<b>RESTATEMENT OF 2015 FINANCIAL STATEMENTS FOR COMPARISON WITH 2016</b>	<b>10</b>	<b>3.4</b>	<b>SUMMARY CONSOLIDATED CASH FLOWS STATEMENT</b>	<b>11</b>
<b>3.2</b>	<b>SUMMARY CONSOLIDATED INCOME STATEMENT</b>	<b>10</b>	<b>3.5</b>	<b>FINANCIAL DEBT</b>	<b>11</b>
<b>3.3</b>	<b>SUMMARY CONSOLIDATED BALANCE SHEET</b>	<b>10</b>			

The consolidated financial statements of Aéroports de Paris for the financial years ended 31 December 2016, 31 December 2015 and 31 December 2014 were prepared in accordance with IFRS.

The financial information selected below must be read together with following sections of the Registration Document:

- ◇ the consolidated financial statements presented in Chapter 20;
- ◇ the review of the group's financial position and results presented in Chapter 9;
- ◇ the analysis of the cash position presented in Chapter 10.

## 3.1 RESTATEMENT OF 2015 FINANCIAL STATEMENTS FOR COMPARISON WITH 2016

As a reminder, the change of the allocation keys for the regulated assets base, as proposed by ADP in January 2015<sup>1</sup> and confirmed by the Airport Consultative Committee (Commission Consultative Aéroportuaire), has an impact on the following segments' EBITDA and operating income from ordinary activities, including operating activities of associates for Aviation, Retail and services, and Real Estate segments as of 1<sup>st</sup> January 2016. The 2016 full-year accounts took into account this change in allocation keys<sup>2</sup>.

In order to facilitate the reading and understanding of the group's performance in 2016 compared to 2015, restated financial statements for 2014 and 2015<sup>3</sup> have been prepared.

## 3.2 SUMMARY CONSOLIDATED INCOME STATEMENT

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015 restated</b>	<b>2014 restated</b>
Revenue <sup>1</sup>	2,947	2,935	2,807
EBITDA <sup>2</sup>	1,195	1,191	1,115
Operating income from ordinary activities (including operating activities of associates) <sup>3</sup>	664	791	740
Operating income (including operating activities of associates)	696	791	734
Net income attributable to the group	435	430	402

<sup>1</sup> Income from ordinary activities.

<sup>2</sup> Operating income from ordinary activities (including operating activities of associates) plus depreciation and amortisation and impairment of non-current assets, net of reversal.

<sup>3</sup> Operating income (including operating activities of associates) before the impact of certain non-current income and expenses, including the share of profit/loss from operating activities of associates.

## 3.3 SUMMARY CONSOLIDATED BALANCE SHEET

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015 restated</b>	<b>2014 restated</b>
Non-current assets	8,106	7,977	7,784
Current assets	2,476	2,447	2,001
<b>TOTAL ASSETS</b>	<b>10,592</b>	<b>10,448</b>	<b>9,806</b>
Equity	4,284	4,125	3,979
Non-current liabilities	5,060	5,252	4,844
Current liabilities	1,241	1,064	978
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,592</b>	<b>10,448</b>	<b>9,806</b>

<sup>1</sup> Please refer to the 2016-2020 ERA Public Consultation Document, available on [www.groupeadp.fr](http://www.groupeadp.fr)

<sup>2</sup> Please refer to note 4.1 of consolidated accounts, presented in chapter 20

<sup>3</sup> Including global integration of Media Aéroports de Paris, formerly accounted for as share of profit of associates from operating activities associates.

## 3.4 SUMMARY CONSOLIDATED CASH FLOWS STATEMENT

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015 restated</b>	<b>2014 restated</b>
Cash flows from operating activities	875	987	917
Cash flows from investing activities	(624)	(416)	(436)
Cash flows from financing activities	(327)	(101)	(272)
<b>Change in cash flow</b>	<b>(76)</b>	<b>470</b>	<b>209</b>
Cash at opening	1,732	1,262	1,053
Cash at closing	1,656	1,732	1,262

03

## 3.5 FINANCIAL DEBT

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015 restated</b>	<b>2014 restated</b>
Financial debt	4,484	4,483	4,174
Derivative financial instruments (liabilities)	20	19	21
<b>Gross financial debt</b>	<b>4,504</b>	<b>4,501</b>	<b>4,195</b>
Derivative financial instruments (assets)	(91)	(96)	(124)
Receivables and current accounts from associates	(58)	(55)	(45)
Cash and cash equivalents	(1,657)	(1,734)	(1,266)
Debt related to the minority put option	11	11	11
<b>Net financial debt</b>	<b>2,709</b>	<b>2,627</b>	<b>2,770</b>
Net financial debt/EBITDA (leverage)	2.27	2.21	2.48
Net financial debt/equity (gearing)	63%	64%	70%

## RISK FACTORS 「AFR」

### 4.1 RISK FACTORS

Risks related to air transport	12
Legal risks	13
Risks related to the regulated nature of the activity	13
Risks related to the business of Aéroports de Paris	14
Other risks	16
Financial risk	16
Factors of dependence	18

### 4.2 RISK MANAGEMENT

Risk management policy	18
Insurance risks	18

The Company conducts its activity in an environment with a number of inherent risks, some of which are beyond its control. The reader should carefully consider the significant risks to which the Company believes itself to be exposed and described below. These risks or other risks not identified to date, or considered to be insignificant by the group, could have a significant unfavourable effect on its activity, its financial situation and/or its income.

The Risk Management System is also examined in Appendix 2 (Report of the Chairman of the Board of Directors) of this Registration Document.

## 4.1 RISK FACTORS

### Risks related to air transport

#### Risks related to terrorist threats or attacks and geopolitical crises

Whether as a result of political developments in certain countries or a terrorist attack in France or abroad, passengers could be forced to delay

their travel plans and airlines may be forced to suspend their services for the long or short term, resulting in a decrease in air traffic, as was the case after the attacks on 11 September 2001.

Should one of the airports operated by Aéroports de Paris suffer a major attack, this would impact airport activity according to the seriousness of the event.

Since 2015, the geopolitical context has been marked by the attacks in France in the centre of Paris, in Saint-Denis and in Nice, as well as those in the Brussels and Istanbul airports.

Following the attacks of 13 November 2015, the Government declared a “State of Emergency” throughout the entire country and, more recently, it amended the terms of the Vigipirate Plan, which has been in force since 2003. There are now three levels: “vigilance”, “increased security-attack alert”, which is currently active throughout France, and “emergency-attack”.

Aéroports de Paris has launched a plan to bolster security in the surrounding city areas of its terminals which it has drawn up and implemented in consultation with the competent Government departments. Furthermore, there is increased vigilance of the application of the airport security services for which it is responsible.

Airports, like other business sectors, must deal with the challenge of radicalisation in their companies. In its most extreme form of radicalisation, regulations permit the Government to immediately remove employees who pose a threat to the security of Parisian airports. In addition, since September 2016, Aéroports de Paris has conducted awareness sessions on understanding, detecting and preventing radicalisation for those personnel concerned.

## Risks related to the economic situation

The revenue of Aéroports de Paris and certain of its subsidiaries depends to a large extent on changes in air traffic, either directly as in the case of airport fees that depend on the number of passengers and the movement of aircrafts, or indirectly, as in the case of commercial activities and car parks. Air traffic itself depends on factors such as the French, European or world economy. A declining or stagnant economic climate could have a direct impact on the volume of traffic or the business of airlines and subsequently on the group's revenue and financial position.

## Risks related to health crises

The health situation in France and the rest of the world, the outbreak of an epidemic or the fear of an outbreak, as was the case with the Severe Acute Respiratory Syndrome (SARS) in 2003, the H1N1 flu virus or EBOLA, may all adversely affect air traffic and lead to a drop in revenues and higher costs as a result of the health protection measures implemented. A phenomenon of large scale absenteeism related to a pandemic would also have an impact on air traffic.

In anticipation of such crises, Aéroports de Paris has a monitoring system and procedures in place, with a pandemic plan updated in 2015, which can be activated at any time, as was the case with the Ebola virus in 2014 and 2015.

## Risks related to extreme natural or weather events

The occurrence of events linked to extreme natural phenomena such as the ash cloud from the volcanic eruption in Iceland in 2010, the occurrence of extreme weather conditions, such as heavy flooding, storms or snowfall, could have a major impact on the Company's activity. These events

could disrupt the functioning of airport infrastructure in a direct way by reducing the operating capacity of facilities and, exceptionally, even lead to temporary closure. They may also have an impact on the functioning of airlines, essential service providers and the strategic networks essential to the running of the business (electricity, water, roads, fuel, etc.) which then has an indirect impact on the working capacity of business facilities.

Besides rigorous application of both the regulations and specific procedures related to these phenomena, Aéroports de Paris is analysing and evaluating the “natural environment” risk, including the effects of climate change on the group's activities.

In order to help the fight against climate change, the Company implements a low-carbon strategy<sup>1</sup>.

## Legal risks

The group faces legal risks in all of its activities and in its various markets. These legal risks are described in this chapter and derive, in particular, from the regulated nature of the activity (for example, economic regulations, the allocation of time slots and obligations in the areas of safety, security and the environment), operational activities within the group (notably those of the airport operator) and international activities. The main disputes, proceedings and acts of arbitration to which Aéroports de Paris and its subsidiaries are parties are described in Chapter 20.

## Risks related to the regulated nature of the activity

Aéroports de Paris operates in a regulated environment and this makes the group highly dependent on decisions and measures over which it has a very limited influence. As with all regulated sectors, future changes to regulations, or to their interpretation by Government authorities or by the courts, could result in additional expenditures for Aéroports de Paris and have a negative impact on its business, financial position and income.

## Risks related to economic regulation

Aéroports de Paris periodically signs a multi-year contract with the Government (the “Economic Regulation Agreement” - ERA) which sets the cap for increases in airport fees for a period of five years. The 2016-2020 ERA covers 2016-2020 and was signed on 31 August 2015.

The airport fee cap takes into account cost, revenue and investment projections, as well as quality of service targets. While the regulation in effect allows for the airport operator to receive fair compensation on capital invested within the regulated scope, assessed based on the weighted average cost of its capital, Aéroports de Paris cannot, however, give any assurances as to the level of fees Government authorities will authorise it to apply after 2020. In addition, in circumstances upsetting the economics of the contract, the ERA could be revised or even ended early.

Moreover, litigation is likely to be filed seeking to annul some pricing decisions. If successful or confirmed, this litigation could have, at least temporarily, an adverse impact on the group's income<sup>2</sup>.

<sup>1</sup> See also the paragraph in Chapter 17 entitled “Environmental information”.

<sup>2</sup> See also the paragraph in Chapter 20 entitled “Legal or arbitration procedures”.

## Risks related to the allocation of take-off and landing slots

As the number of take-off and landing slots at airports is limited, air traffic depends on the allocation and efficient use of slots, over which Aéroports de Paris does not have full control. At Paris-Charles de Gaulle and Paris-Orly, it is the Coordinating Committee for French Airports (COHOR) that is exclusively in charge of allocating the slots and making sure that they are being correctly used by the airlines. At the Paris-Charles de Gaulle platform, Aéroports de Paris is not in control of all the factors that determine the number of available slots, in particular the number of hourly movements that can be managed by air traffic control services. At Paris-Orly, each year, the French Government authorities reserve a certain number of slots for allocation to national improvement routes or regional links as part of its public service remit<sup>1</sup>.

## Risks related to environmental constraints

The sites operated by Aéroports de Paris are subject to strict environmental regulations<sup>2</sup>. Reinforcing the different regulations could lead to an increase in expenditure for Aéroports de Paris in order to comply with these regulatory changes, or impose new restrictions on the use of equipment and facilities.

The Company has a proactive environmental policy which has enabled Aéroports de Paris to maintain the ISO 14001 certifications of its three main platforms. In addition, it obtained ISO 50001 certification for its energy management system in June 2015. Moreover, in 2016, the Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports renewed their Level 3 Airport Carbon Accreditation. Aéroports de Paris has a 2016-2020 environmental policy signed by the Chairman-CEO with objectives that anticipate some of the future regulatory changes.

## Risks related to security and safety obligations

The Government defines the security policy and entrusts Aéroports de Paris with security missions<sup>3</sup>. European and French authorities could adopt increasingly strict rules, which could result in increased operational requirements or enforcement of additional obligations that would be shouldered by Aéroports de Paris. In addition, the funding of security and other general interest missions via the airport security tax could change according to the amendments to Article 1608 quater of the French General Tax Code and the decision of 30 December 2009.

Furthermore, the European Union and the French Government define the legal framework for airport safety. This legal framework could also be strengthened, placing additional obligations on Aéroports de Paris. In addition, under these regulations, the various players (such as government authorities, airport managers, airlines and service providers, etc.) can be held liable if they fail to perform their obligations. To ensure compliance with the European Regulation (EU no. 139/2014), requests have been filed with the DGAC (Direction Générale de l'Aviation Civile, or Civil Aviation Authority) to convert the airport security certificates in force into European certificates for the Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports.

In order to improve its understanding of, and plan for, shared airport challenges, Aéroports de Paris engages in regular discussions with the various organisations to which the airports belong, such as ACI-Europe (Airport Council International – Europe), which has been chaired by the Aéroports de Paris Chairman and CEO since 2015, the Association of French-language Airports in association with Airport Council International (Alfa-ACI) and the French Union of Airports (UAF) etc., and also with European authorities and French government services (Ministry of the Interior, DGAC).

## Risks related to the business of Aéroports de Paris

### Risks related to the competitive environment

In Paris, Aéroports de Paris, and the Paris-Charles de Gaulle airport in particular, is in competition with other major European airports offering specialist hub services, for which connecting traffic accounted for 31.9% of traffic in 2016. This competition is increasing due to the development of new major hubs, in particular in the Middle East. Aéroports de Paris is also in competition with major European airports with a competitive tariff policy to attract intercontinental routes.

In Paris, for journeys of less than three hours, Aéroports de Paris' air carrier customers, and more particularly those who operate from Paris-Orly, face competition from high-speed rail trains, which continue to expand their network.

Low-cost airlines have become significant players in the European air transport market. Aéroports de Paris, whose low-cost airline traffic accounted for 19.8% of traffic in 2016, competes for these flights with airports serving the Ile-de-France region that are not managed by Aéroports de Paris<sup>4</sup>.

Changes in the air traffic market are regularly analysed by the strategic analysis unit of the Finance, Control and Strategy Division.

The objective of the Connect 2020 strategic plan is to win market share through a proactive search for traffic, in particular by the new companies strategy development unit within the Customer Division. In addition, the implementation of incentive measures aims to attract companies and feed the hub.

### Risks related to the customer portfolio structure

Air France, which is a member of the SkyTeam Alliance, is Aéroports de Paris' largest customer. In 2016, the Air France Group<sup>5</sup> accounted for approximately 25.0% of the group's revenue and 50.7% of passenger traffic at the Paris Charles de Gaulle and Paris-Orly airports. A change in its strategy, particularly in the organisation of its network around one or more connecting airports, the closure, transfer or relocation of some of its activities (passengers, cargo, maintenance, etc.), financial difficulties, a worker strike or a deterioration in the quality of its services would, at least in the short term, have a material impact on the group's business and financial position. Moreover, Air France activities and those of the SkyTeam Alliance generate a significant share of the group's other revenues, such as retail and real estate income. A significant change in passenger typology could also have a negative impact on the group's aviation and retail revenue.

<sup>1</sup> See also the paragraph in Chapter 6 entitled "Allocation of take-off and landing slots".

<sup>2</sup> See also the paragraph in Chapter 17 entitled "Environmental information".

<sup>3</sup> See also the paragraph in Chapter 6 entitled "Security".

<sup>4</sup> See also the paragraph in Chapter 6 entitled "Competition".

<sup>5</sup> Air France, Transavia and Hop!.

For this reason, Aéroports de Paris pays great attention to all of the above areas. A specific team is tasked with developing airport services to and from the principal Paris hubs.

A policy of active development of connections from and to Paris as well as a commitment to improve the quality of services to match that of the best European airports aim to attract new customers and thus diversify the portfolio.

## Risks related to investments

Aéroports de Paris is pursuing a programme of significant investment, notably as part of the ERA 2016-2020<sup>1</sup>. Priority is given to optimising infrastructures by deploying a "One roof" initiative.

In consideration of the duration required for the commissioning and the implementation of complex infrastructure, investments need to be planned several years before the introduction of the corresponding installation. For a new terminal, it is estimated, for example, that four to six years are needed between the beginning of studies and commissioning. The length of the investment cycle poses a risk as to the expected return on past or future investments, in particular, if air traffic growth slows down in comparison with the assumptions used during planning, if the traffic mix (connections rate, share of Schengen traffic, etc.) is modified or if the strategies of airlines in terms of delivery schedule or type of aircraft were to change significantly.

Restrictions to obtaining administrative authorisations as well as the complexity of Aéroports de Paris infrastructures could cause significant delays to their construction and commissioning or cause significant budget over-runs. Such delays could also have a negative impact on the planned increase in capacity of Aéroports de Paris airports, resulting in increased operating costs. Aéroports de Paris may also be required to pay contractual penalties if there are significant delays in project deliveries. The Company might also have to bear the financial consequences of problems with constructions carried out on its behalf.

If the technology used by companies in the air transport market were to change, Aéroports de Paris may have to adapt its facilities significantly, as in the case for the investments required to prepare for the arrival of the A380. In addition, although the 2016-2020 ERA provides for compensatory mechanisms, technological developments could make the group's facilities obsolete and thus have a negative effect on its results.

With regard to these various risks, Aéroports de Paris has an internal system for steering investment projects which is based around a Strategy and Investment Committee and a group Investment Approval Committee chaired by the Chairman & CEO. Moreover, the Engineering and Development Division was reorganised in order to better respond to the investment challenges of the ERA 2016-2020.

## Risks related to airport operator business activities

Aéroports de Paris has a certain number of obligations both to protect the public using its airports and to reduce all the risks of accidents or incidents at its airports. These obligations can be divided into five risk categories and as a result the risks faced by the Company:

- ◆ Aéroports de Paris must ensure that the facilities available to airlines are in good working order. A malfunction or delays in implementation could have a negative effect on relations with airlines, on service quality,

on the group's image or on its income. In this respect, the strategic investment plan of the ERA 2016-2020 prioritises asset maintenance;

- ◆ Aéroports de Paris faces the risk of a temporary interruption in airport operations as a result of poor weather conditions, labour disputes, technical problems or political events. In addition to the impact such interruptions may have on air traffic and thus on group revenues, such events are often the subject of intense media coverage. The extended closure of one or more of the group's airports could have a negative impact on the Aéroports de Paris image in terms of quality of service. In this respect, Aéroports de Paris formalised a group business continuity plan divided into a business continuity plan per airport and critical support function so as to be able to provide essential, albeit downgraded, services;
- ◆ just like any other company that engages with the general public, Aéroports de Paris is required to implement a number of protective measures: fire safety measures in public areas, the construction of car parks and access roads in compliance with the Highway Code and road safety rules, accessibility of all facilities for the disabled and persons with reduced mobility, etc. Violation of these rules is likely to jeopardise people's safety and engage the liability of Aéroports de Paris – it could also lead to the suspension of the administrative permissions required for operation;
- ◆ as an airport operator, Aéroports de Paris is required to implement a number of aviation-specific measures: maintenance, planning and monitoring of aeronautical areas, snow removal from these areas, aircraft rescue and fire-fighting services (ARFF), traction control and runway skid rating and wildlife hazard preventive measures. Violation of these rules is likely to jeopardise the safety of air transport and to engage the liability of Aéroports de Paris;
- ◆ Aéroports de Paris carries out some of these missions on behalf of the Government and under its control: the company puts in place safety and security measures as well as the necessary sanitary equipment. In this respect, Aéroports de Paris implements specific national programmes (such as the Vigipirarte national security alert plan and the Piratnet and Piratnet anti-terrorism measures). As a Vital Importance Operator (OIV, *Opérateur d'Importance Vitale*), Aéroports de Paris must, in the event of a major crisis, and as far as possible, maintain its facilities in operation as they are essential to the life of the Nation.

04

## Risks related to commercial activities

Commercial activities are sensitive to traffic and to fluctuations in the Euro's exchange rate against other currencies, and a strong Euro could make product prices less attractive for customers from outside the Euro zone, and to the competitive and regulatory environment (health policies tend to limit the consumption of tobacco and alcohol, etc.).

Aéroports de Paris has a dedicated division which designs and develops its commercial policy. In 2016, a revitalisation plan was prepared in response to the downturn in activity linked to the difficult background<sup>2</sup>.

## Risks related to real estate activity

The weakening of the real estate market could have a negative impact on the drop in demand for leases or the value of the group's real estate assets. However, due to its specificity, airport real estate is by nature less sensitive to fluctuations in demand than the commercial real estate market overall, but nevertheless remains highly dependent on the economic

<sup>1</sup> See also the paragraph in Chapter 5 entitled "Investments".

<sup>2</sup> See also the paragraphs in Chapter 6 entitled "Retail and services" and "Real estate".

health of its air transport partners. The real estate assets of the Company are concentrated on private sites in restricted areas of the Paris region, within the same rental sector, and are therefore subject to the specific variations of those markets.

Aéroports de Paris has significant land reserves from which it benefits both as a developer and an investor, thereby enabling it to control its business<sup>1</sup>.

## Risks related to the development of international business

Aéroports de Paris conducts a portion of its activities abroad through its subsidiaries and equity interests, first and foremost of which are ADP Ingénierie, Aéroports de Paris Management, TAV Airports and TAV construction<sup>2</sup>. These activities expose the group to the risks inherent in international business, particularly risks linked to exposure to extreme natural phenomena, differences in regulations, legislation, tax and labour laws, risks related to restrictions on the repatriation of profits, changes in foreign exchange rates, risks linked to political or economic changes and finally, risks linked to foreign equity investments that do not meet their performance objectives.

In 2016, the geopolitical context in Turkey was turbulent, marked in particular by an attack on Istanbul Atatürk airport and an attempted *coup d'état* in Istanbul and Ankara.

Joint and coherent steering of international activities is ensured by a specific division.

## Risks related to the alliance with Schiphol Group

Aéroports de Paris and the Schiphol Group have created an industrial partnership with an 8% cross-shareholding agreement<sup>3</sup>. The disposal of Aéroports de Paris' stake in Schiphol Group's capital is subject to specific exit rules, meaning that its interest is not immediately liquid<sup>4</sup>. Lastly, Aéroports de Paris cannot give any guarantees with regard to the success of the industrial and capital alliance as well as its expected benefits.

## Other risks

### IT systems

Against a backdrop of increasing cyber attacks, Aéroports de Paris is exposed to risks related to the failure of its IT systems, which could significantly disrupt airport operations, as well as the risk of theft of confidential data, which could compromise airport security in particular.

As part of the Connect 2020 investment plan, the group IT Security Officer, as the head of the IT Security Department created in 2016, manages improvements to the protection of the group's IT systems, in accordance with the Military Programming Act (LPM) for those information systems that are judged to be of vital importance.

### Information protection

In an environment of increased insecurity where the use of information for malevolent purposes is possible, the protection of information is a permanent concern for Aéroports de Paris due to the possibility of the information being used for malicious purposes.

The approach used by Aéroports de Paris in this respect consists of the creation of a group information protection policy. This is accompanied by an awareness programme for group personnel and a system to detect information leaks on the Internet.

## Human Resources

Achieving Aéroports de Paris' ambition requires, specifically, the commitment and mobilisation of the women and men who work for Aéroports de Paris, based around shared objectives and common values.

If Aéroports de Paris is not able to ensure an adequate level of resources and skills required for its activities, its development, the achievement of its objectives and its results could be affected.

The Human Resources (HR) policy contributes directly to the priorities of the Connect 2020 strategic plan and the ERA 2016-2020, in particular by managing changes in organisations and jobs and by promoting the development of employees and the development of a managerial culture that will attract talent.

The three-year collective agreement of 29 January 2016 on the management of resources and skills included provisions on "training" and "generation". It develops a three-year qualitative overview of the resources and skills, to anticipate mobility and the professional development of employees. The Company maintains the level of training required for this development and has a dedicated budget for mobility and retraining.

## Financial risk

The main risks relating to Groupe ADP's financial instruments are credit risk, liquidity risk and market risk.

The group's main financial liabilities consist of bonds, bank loans, derivative instruments, finance leases, supplier debts and possibly overdrafts. The main objective of these financial liabilities is to fund the group's operating activities.

The group has other financial assets such as customer debts and cash, derivative instruments and short-term deposits that are linked to its activities.

The derivative instruments used by the group, primarily interest rate swaps, are designed to manage interest rate risks linked to the financing used by the group.

### Credit risk

Credit risk represents the risk of financial loss to the group in the case of a customer or counter-party to a financial instrument failing to meet its contractual obligations. This risk essentially results from customer debts and investment securities.

### Customers and other debtors

The group's policy is to have recourse to check the financial health of all its customers (new and existing). Except for agreements with French government authorities and wholly-owned subsidiaries, contracts between Aéroports de Paris and its customers contain guarantees (a deposit cheque, bank endorsement or on-demand bank guarantee, etc.). In addition, customer balances are the subject of permanent monitoring. As a result, the group's exposure to bad debts is not significant.

The group's exposure to credit risk is mainly influenced by the individual characteristics of the customers. Accordingly, around 25.0% of the group's products are linked to provisions for its main customer, the Air France Group. On the other hand, there is no concentration of credit risk at a geographical level.

<sup>1</sup> See also the paragraphs in Chapter 6 entitled "Retail and services" and "Real estate".

<sup>2</sup> See the paragraph in Chapter 6 entitled "TAV Construction".

<sup>3</sup> See Chapter 6 "Partnership with Schiphol Group".

<sup>4</sup> See Chapter 18 "Partnership with Schiphol Group".

Figures concerning receivables and the age of current receivables are detailed in note 4.5 to the group's consolidated financial statements<sup>1</sup>.

The group determines a level of write-down that represents its estimate of potential losses in relation to customer debts, other debtors, as well as to investments. The two main components of this write-down correspond to specific losses linked to individualised significant risks on the one hand, and on the other to overall risks determined as groups of similar assets, corresponding to potential losses not yet identified. The amount of overall loss is based on historical statistical payment data for similar financial assets.

## Investments

With regard to credit risk relating to the group's other financial assets (cash, cash equivalents, available-for-sale financial assets and certain derivative instruments), Aéroports de Paris invests its surplus cash in Euro Money market funds subject to the provisions<sup>2</sup> of French law. The counter-party risk linked to these investments is considered to be marginal. For derivative instruments, the group's exposure is linked to possible default on the part of the third parties involved, mainly leading financial institutions. The maximum exposure is equal to the book value of these instruments.

## Guarantees

The group's policy is only to grant financial guarantees on behalf of its 100%-owned subsidiaries. At 31 December 2016, there are several guarantees granted by Aéroports de Paris on behalf of ADP Ingénierie and Aéroports de Paris Management for the benefit of different clients of these subsidiaries. These guarantees are included in off-balance sheet commitments (see note 15 to the consolidated financial statements<sup>3</sup>).

## Liquidity risk

Liquidity risk corresponds to the risk that the group may experience difficulties in honouring its debts when these become due. The payment schedule for financial liabilities is included in note 9.5.3 to the consolidated financial statements.

Aéroports de Paris is rated by Standard & Poor's. Since 21 March 2014, the long-term rating of Aéroports de Paris has been A+ outlook stable.

The euro-denominated bonds are listed on NYSE Euronext Paris.

Aéroports de Paris monitors its cash flow on a daily basis. Every month a report summarises, in particular, financing operations and investments, and analyses divergences with regard to the annual cash-flow budget. It also includes a detailed breakdown of investments and possibly their degree of risk.

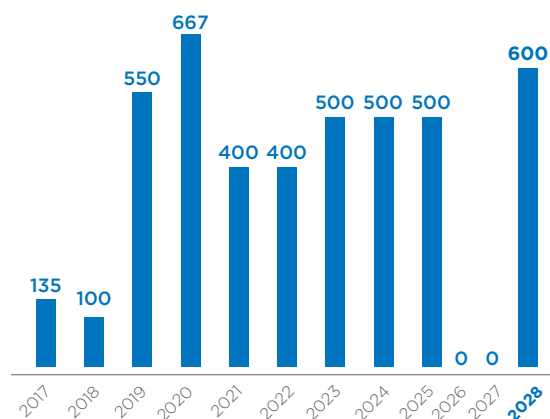
For loan issues contracted through the European Investment Bank (EIB), a consultation clause that could lead to a request for early repayment is included within the contracts. These clauses concern: a lowering of Aéroports de Paris's rating to below or equal to A by the specialist agency Standard & Poor's (or any equivalent rating issued by a comparable rating agency), loss by the State of most of its share capital and its voting rights, and in the case of a substantial reduction in the cost of the project as defined within the loan contract (proportional repayment only).

Bonds plan that in the case of a change of controlling interest in the company and a decrease in rating below BB+ during the period of change of controlling interest, each holder of a bond may request repayment or buy-back by the issuer of all or a portion of the bonds that it holds at their nominal value.

As of 31 December 2016, Aéroports de Paris did not have any Euro Medium Term Note (EMTN) or commercial paper programmes.

As of 31 December 2016, Aéroports de Paris was financially sound. The debt repayment schedule is presented below:

(in millions of euros)



◆ Capital excluding interest\*

\* Nominal values, after exchange rate hedge.

Given the smoothing of debt repayments over time, the Company estimates little exposure to liquidity risk.

Financial debt stood at €2,709 million. Average maturity is 5.9 years with the average cost being 2.4% at year end 2016 (compared to year end 2015).

## Market risk

Market risk corresponds to the risk that market price variations, such as exchange rates, interest rates and equity instrument prices, may affect the group's income or the value of financial instruments held. The objective for the management of market risk is to manage and control exposure to market risk within acceptable limits, whilst optimising the profitability/risk ratio. Sensitivity analyses to interest rate risks and exchange risks are included in note 9.5.3 to the consolidated financial statements<sup>4</sup>.

## Interest rate risk

In addition to its operating cash flow, Aéroports de Paris has access to borrowing to fund its investment programme.

In 2016, Aéroports de Paris had no repayments of maturing debt and did not issue any new debt.

At 31 December 2016, gross debt, excluding interest accrued and derivative financial instruments (liabilities) stood at €4,504 million and mainly consisted of bonds and bank loans.

The rates risk relating to the debt is managed by modulating the respective proportions of fixed rates and variable rates in line with market developments.

The management of this risk depends on the putting in place or cancellation of interest rate operations (swaps).

The majority of Aéroports de Paris' exposure to interest rate risk derives from its financial indebtedness and to a lesser extent its portfolio of rates derivatives.

The group's policy consists of managing its interest expense by using a combination of fixed-rate and variable-rate loans such that 50% to 100% of its debt is fixed rate. In line with this objective, the group puts in place interest rate swaps through which it exchanges, at specific intervals, the

<sup>1</sup> See chapter 20.

<sup>2</sup> Undertakings for collective investment in transferable securities.

difference between the amount of interest at fixed rates and the amount of interest at variable rates, calculated on a nominal loan amount agreed between the parties. These swaps are assigned to loan hedging.

As of 31 December 2016, after taking interest rate swaps into account, around 85% of the group's debt was at fixed interest rates (unchanged since the end of 2014).

### Exchange risk

In general, the group is not exposed to a significant degree to exchange risks (see note 9.5.3 to the consolidated financial statements)<sup>1</sup>.

The main currencies in which transactions are denominated are the Euro and the US dollar, together with some Persian Gulf currencies linked to the American dollar at fixed parity, such as the Saudi riyal, the United Arab Emirates dirham and the Omani rial.

In order to reduce exposure to fluctuations in the value of the US dollar and in the values of currencies linked to it by a fixed exchange rate, the group has implemented, at the level of its ADP Ingénierie subsidiary, a hedging policy consisting of:

- ◆ neutralising exchange rate risk to the greatest extent possible by reducing the balance of revenues and expenses in these currencies;
- ◆ making partial forward sales of dollars for residual balances.

## 4.2 RISK MANAGEMENT

### Risk management policy

Aéroports de Paris applies the mechanisms of the frame of reference relating to the internal control and risk management systems published by the Financial Markets Authority (AMF) in 2007 and updated in July 2010, supplemented by its application guide (vote of the Board of Directors of 11 March 2009).

For Aéroports de Paris, the risk management and internal control systems constitute a global strategy which is developed and coordinated by the Airport Security, Risk Management and Compliance Division.

The group's risk management policy, which was initiated in 2004, aims to ensure the identification and optimal control of risks which could affect its various areas of activity. It is provided by the Risk and Compliance Section of the Security, Risk Management and Compliance Division. It manages its development via the network of Audit-Risk Management-Internal Control (ARC) coordinators and controls its application.

The Risk and Compliance Department has the aim of enabling all participating parties to hold a proper and shared vision reached in consultation of the risks likely to have a detrimental effect on the image, performance and longevity of the group, as well as their level of control.

It has defined a systematic risk identification process and guides the development and follow-up of the group's risk mapping. The process is based on a single, shared Aéroports de Paris risk database, a risk universe, provided to all group entities. The group's risk mapping is updated annually by inclusion of changes in the environment and objectives of the activities and thanks to exchanges between the departments. After a review by the Operational Committee for Risks and Internal Control (CORCI), which brings together all directors concerned, this mapping is validated by Executive Committee, then presented to the Audit and Risk

## Factors of dependence

### Accounts receivable

Revenue generated by the Air France Group<sup>2</sup> represented about 25.0% of the total revenue of Groupe ADP for 2016.

### Intellectual property

In accordance with the provisions of the French Intellectual Property Code, Aéroports de Paris is bound to comply with the moral rights attached to existing airport constructions, in particular Paris-Charles de Gaulle. Such rights require that the Company obtains prior authorisation from architects for any significant adjustments or changes to structures. Any objections by the architects might result in a delay or halting of the proposed works on the said structures.

Committee as well as the Board of Directors. The major risks and the risks deemed unacceptable to the company are the subject of priority attention and handling. To better understand the risk mapping, major incidents and those linked to unacceptable risks are listed by the divisions and subsidiaries (ADP Ingénierie, Aéroports de Paris Management, Hub One and Hub Safe) in a data entry tool so that the related actions can be monitored.

In addition to the risk management process, the Airport Security, Risk Management and Compliance Division is in charge of the crisis management policy, experience feedback and contingencies.

The risk management and internal control procedure and systems are described in detail in the section of the Chairman of the Board of Director's Report entitled "Internal control and risk management procedures and system<sup>3</sup>."

### Insurance risks

Groupe ADP believes that it has had reasonable insurance cover to date, the excess level of which is consistent with the rate of frequency of losses observed and the risk prevention policy.

### Civil liability

Civil liability for airport operators is guaranteed by a policy that covers the financial consequences of any contractual and criminal civil liability that may be ascribed to Aéroports de Paris, and in certain circumstances, to its subsidiaries, its subcontractors and/or its co-contractors in the event of any physical injury, material and consequential loss caused to third parties whilst carrying out their business activities. The principal guarantee amount is €1,500 million per event and/or per year according to the

<sup>1</sup> See chapter 20.

<sup>2</sup> Air France, Transavia and Hop!

<sup>3</sup> Shown in appendix 2.

guarantees. This policy also includes a \$150 million guarantee to cover the consequences of the risk of war and other perils. This guarantee amount of \$150 million is supplemented by a specific policy taken out by Aéroports de Paris for the sum of \$1,350 million.

Other civil liability insurance has been taken out by the Company, including a policy covering the liability of corporate officers, a policy covering liability in the case of accidental or gradual harm to the environment (also covering ground decontamination costs) and insurance covering the consequences of the Company's civil liability in the carrying out of activities relating to the ground section (in particular activities linked to the operation of car parks, buildings not owned by the Company, co-generation and emergency medical services).

## Damage to property and construction risks

Aéroports de Paris has taken out a damage policy that guarantees any real estate and movable property owned by the Company or of which it is in charge, against in particular fire, explosion, lightning, storm, electrical damage, natural disasters and acts of terrorism risks. The total value of the primary cover is fixed at €1,000 million per claim.

In addition to the abovementioned general policy, the Company has also taken out specific policies with a view to guaranteeing against the consequences of targeted loss that could affect certain property, such as the "Roissy-pôle-Le Dôme" centre or the interconnection between the TGV and RER stations on the Paris-Charles de Gaulle platform.

In addition, the Company has taken out several policies with a view to protecting itself against construction risks within its largest work sites.

Some of Groupe ADP's assets cannot, by their very nature, be covered by property damage insurance. This includes runways, aircraft movement areas, certain civil engineering works and works of art. This last category is covered, but for a maximum annual amount of €30 million.

## Main policies directly benefiting the Company's subsidiaries

Professional civil liability policies have been taken out on behalf of ADP Ingénierie, Aéroports de Paris Management, Hub One and Hub Safe, for the purposes of covering their activities carried out in France or abroad, as the case may be.







05

## INFORMATION ON THE COMPANY

<b>5.1</b>	<b>INFORMATION</b>	<b>21</b>	Projected Aéroports de Paris' investment programme between 2016 and 2020	<b>25</b>
<b>5.2</b>	<b>HISTORY OF THE COMPANY</b>	<b>22</b>	Contractual commitments for fixed asset acquisition	<b>27</b>
<b>5.3</b>	<b>CAPITAL EXPENDITURES</b>	<b>24</b>		
	Investments made by the group over the last three financial years	<b>24</b>		

### 5.1 INFORMATION

#### Company name

Aéroports de Paris.

#### Legal form

French public limited company (*Société Anonyme*) since 22 July 2005, when Decree No. 2005-828 of 20 July 2005 relating to Aéroports de Paris came into effect pursuant to Law No. 2005-357 of 20 April 2005 on airports.

#### Registered office

1 rue de France, 93290 Tremblay-en-France

Postal address: 1 rue de France, BP 81007, 95931 Roissy Charles de Gaulle Cedex

Telephone: +33 1 74 25 67 00

#### Trade and Companies Register

Bobigny Trade and Company register under number 552 016 628.

Company activity (APE) code: 5223 Z.

#### Date of incorporation and term

Date of incorporation: 24 October 1945, as a national public entity (Order No. 45-2488 of 24 October 1945).

First registration in the Paris Trade and Companies Register: 1 February 1955

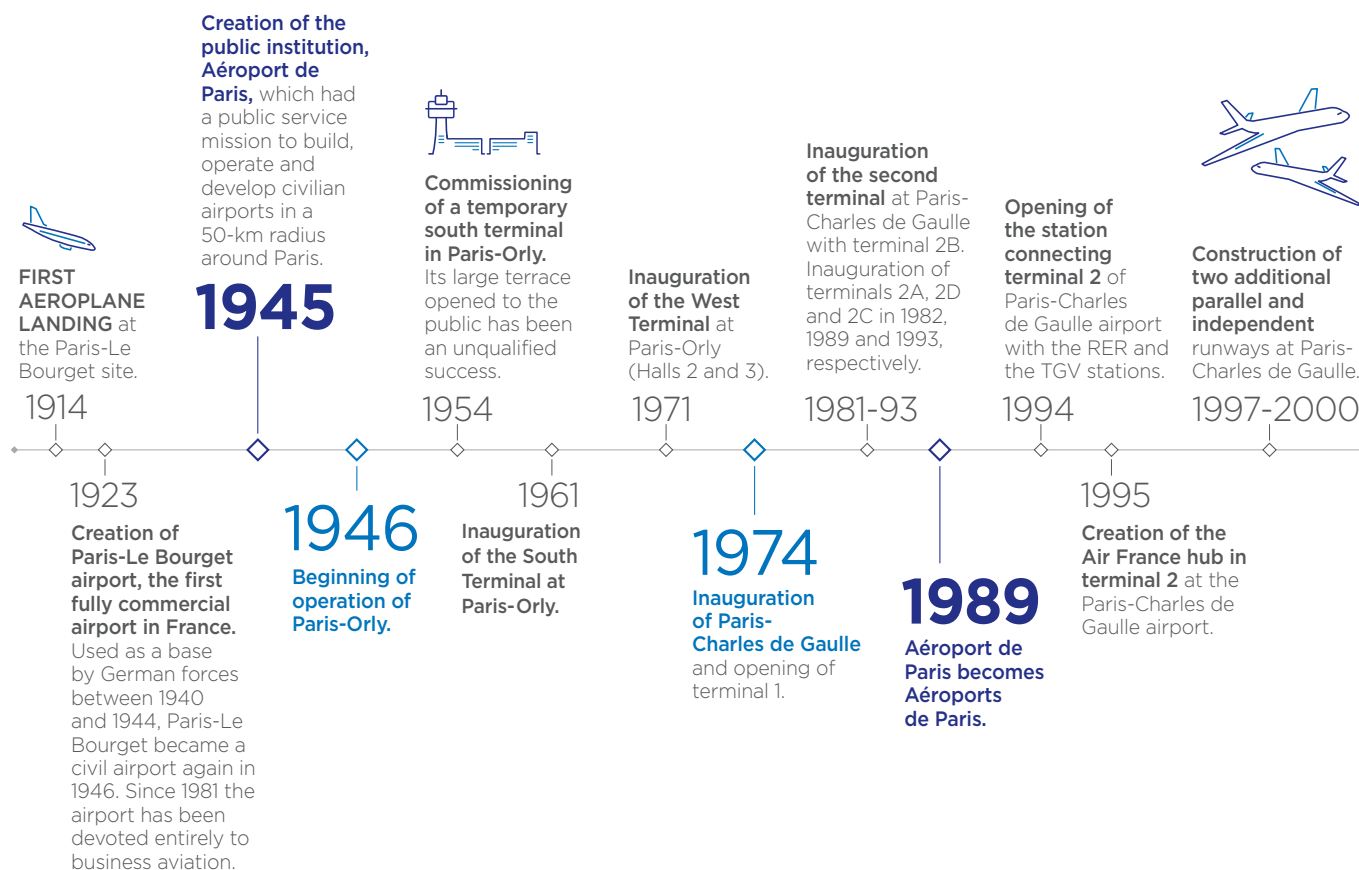
Registration in the Bobigny Trade and Companies Register: 13 March 2017, following the moving of the head offices.

Term: 99 years starting from 20 July 2005, except in the event of early liquidation or extension.

#### Legislation

Aéroports de Paris is governed by the laws and regulations applicable to public limited companies (*Sociétés Anonymes*), subject to specific laws and by the Articles of Association of Aéroports de Paris. The specific laws governing the Company are Law No. 2005-357 of 20 April 2005 on airports, the French Civil Aviation Code and Law No. 83-675 of 26 July 1983 on the democratisation of the public sector.

## 5.2 HISTORY OF THE COMPANY





**Creation of Media  
Aéroports de Paris, a  
joint venture between  
Aéroports de Paris  
and JCDecaux France  
SAS** to operate  
and commercialise  
advertising spaces  
at the Paris-Charles  
de Gaulle, Paris-Orly  
and Paris-Le Bourget  
airports.

Creation of joint  
venture between  
Relay@ADP and  
Lagardère Services to  
operate boutiques for  
printed media, books,  
drinks, sandwiches and  
souvenirs.

Sale of 80% of the  
share capital of  
the Alyzia Group  
companies, which  
provide ground  
handling assistance  
to Groupe 3S. Merger  
of the joint ventures  
Duty Free Paris and  
Société de Distribution  
Aéroportuaire.

**Opening of new  
correspondence  
channels**  
for transit  
passengers  
between  
terminals 2E  
and 2F at  
Paris-Charles de  
Gaulle, including  
the "single-  
security check"  
link (IFU).

**Signature of  
the 2016-2020  
Economic  
Regulation  
Agreement** on  
31 August 2015.

Santiago de Chile  
concession taken  
over on 1 October  
2015 as a member of  
the Nuevo Pudahuel  
consortium.

Announcement of  
the Connect 2020  
strategic plan on  
12 October 2015.

**Signing of the  
Economic Regulation  
Agreement (ERA)** for  
the period 2006-  
2010, that defines a  
limit on the average  
increase in airport  
fees, the programme  
of projected  
investments and  
quality of service  
objectives for  
Aéroports de Paris.



**Opening of the  
regional terminal  
2G at Paris-Charles  
de Gaulle airport.**

The entry into force  
of the industrial  
cooperation  
agreement  
launched between  
Aéroports de Paris  
and NV Luchthaven  
Schiphol ("Schiphol  
Group") along  
with cross-equity  
investments of  
8% in the share  
capital of the two  
companies.

**Floating of shares  
and listing on the  
stock market.**

**2006**



Opening of  
terminal 2E at  
Paris-Charles  
de Gaulle.

2003

1998-1999

**Commissioning  
of two modules  
of terminal 2F of  
the Paris-Charles  
de Gaulle airport**  
in 1998 (2F1) and  
1999 (2F2).

2005

Conversion  
of Aéroports  
de Paris into  
a French  
public limited  
company  
(**Société  
Anonyme**).

2007

**Commissioning  
of CDGVal, an  
automated shuttle  
train linking Paris-  
Charles de Gaulle  
terminals.**

**Opening of Hall L,**  
the terminal 2E  
boarding lounge  
at Paris-Charles de  
Gaulle airport.

2008

2011

**2010**

**Signing of  
the 2011-2015  
Economic  
Regulation  
Agreement  
(ERA).**

2012

Opening of the link  
between terminals  
2A and 2C at Paris-  
Charles de Gaulle  
airport.

**Acquisition of  
38% of the capital  
in TAV Airports**  
(a leading Turkish  
airport operator,  
operating 14 airports  
in 7 countries,  
including Istanbul's  
Atatürk airport) and  
49% of the capital  
in TAV Construction  
(a construction  
and public works  
company specialising  
in aviation projects).

Opening of Hall M,  
the new terminal  
2E boarding lounge  
at Paris-Charles de  
Gaulle airport.

2013

2014

**Revival of the  
CDG Express  
project** through  
the creation  
of a research  
company  
bringing  
together  
the French  
Government,  
SNCF Réseau  
(formerly  
known as  
Réseau Ferré  
de France) and  
Aéroports de  
Paris.

**2015**

**2016**

**Launch of  
the new  
Travelers brand:**  
"Paris Aéroport"  
and **corporate  
brand**  
"Groupe ADP".

**Commissioning  
of the Eastern  
Pier,** new  
international  
boarding room  
at the South  
terminal of  
Paris-Orly

Opening of the  
long layovers  
lounge in the  
international area  
of terminal 2E

05

## 5.3 CAPITAL EXPENDITURES

### Investments made by the group over the last three financial years

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Capacity investments	220	148	93
Restructuring investments	69	33	31
Renovation and quality	255	186	144
Real estate development	122	50	14
Security	26	22	19
Cost of studies and supervision of works (FEST)	90	74	90
Other	10	13	16
<b>Tangible and intangible investments, of which</b>	<b>792</b>	<b>526</b>	<b>407</b>
<i>Investments made by Aéroports de Paris<sup>1</sup></i>	<i>774</i>	<i>512</i>	<i>390</i>
<i>Investments made by Aéroports de Paris subsidiaries</i>	<i>18</i>	<i>15</i>	<i>17</i>

<sup>1</sup> Mother company of Groupe ADP.

2016 was marked by tangible and intangible investments amounting to €792 million for Groupe ADP, including €774 million for the parent company (€512 million in 2015) and €18 million for the subsidiaries (€15 million in 2015).

Investments at Paris-Charles de Gaulle airport mainly related to:

- ◆ continued building work on the new registered office;
- ◆ continued preparatory work to set up a system of luggage conveying, handling and security at the departure hall located at the east of terminal 2E;
- ◆ renovation of runway 2;
- ◆ studies and preparatory work for the renovation of terminal 2B and the link with terminal 2D;
- ◆ transfer of ownership of the pipelines previously operated by SMCA;
- ◆ upgrading of the wastewater management and treatment systems for wintertime;
- ◆ completion of the long-haul transfers centre in hall L of terminal 2E;
- ◆ power supply of the airport in 225 KV;
- ◆ deployment of self-boarding at terminal 2E;
- ◆ redesign of the shops in hall K of terminal 2E;
- ◆ renovation of the RER station at Roissy-pôle;
- ◆ general renovation of the AB car park;
- ◆ studies for the connection of the international satellites of terminal 1;
- ◆ renovation of the 5720 office buildings.

Investments at Paris-Orly airport mainly related to:

- ◆ continued building work on the link between the South and West terminals;
- ◆ completion of the extension of the East pier of the South terminal;

- ◆ first phase in the renovation of runway 4;
- ◆ construction of the new VIP pavilion;
- ◆ preparatory work for the renovation of runway 2 and its compliance with the European Aviation Safety Agency standards;
- ◆ construction of the airbridges linking the Cœur d'Orly district with the South terminal;
- ◆ preparatory work for the construction of the future Grand Paris station;
- ◆ work to switch the screening and border control posts at international departures in the South terminal;
- ◆ third phase of the development of the Avenir zone.

Investments at the Paris-Le Bourget airport mainly related to the creation of the India aircraft parking areas.

Also in 2016, Aéroports de Paris made significant investments in its support functions and common projects for the airports, in particular the purchase of new generation hold baggage inspection equipment and IT developments for the loyalty programme.

Aéroports de Paris fully funds its investment programme, primarily through operating cash flow, and medium- to long-term debt as needed.

### Ongoing investments or investments with firm commitments

The only investments covered by firm Aéroports de Paris commitments are those described in the 2016-2020 Economic Regulation Agreement, as part of the regulated scope.

Investments within the regulated scope do not include group investments relating to security, real estate diversification operations or retail services activities, or investments made by the group's subsidiaries, particularly equity investments outside the Paris airports.

## Projected Aéroports de Paris' investment programme between 2016 and 2020

### Projected Aéroports de Paris' investment programme between 2016 and 2020, excluding financial investments

<i>(in millions of 2016 euros)</i>	Actual 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Total 2016-2020
Regulated scope <sup>1</sup>	538	650	732	606	464	2,990
Shops and other investments	84	123	191	142	94	634
Diversification real estate	120	88	81	36	31	355
Safety and security	33	81	146	159	158	576
<b>TOTAL AÉROPORTS DE PARIS (EXCLUDING FINANCIAL INVESTMENTS)</b>	<b>774</b>	<b>941</b>	<b>1,150</b>	<b>943</b>	<b>746</b>	<b>4,555</b>

<sup>1</sup> See Chapter 6 "Determination of the regulated scope".

Aéroports de Paris's projected investment programme between 2016 and 2020 totals €4.6 billion, excluding financial investments. This programme does not take into account the potential investments relating to CDG Express, which will be generated by the infrastructure<sup>1</sup> manager company,

of which Aéroports de Paris owns one third, for an estimated total cost of between €1.4 and €1.6 billion (equity and debts). This programme also excludes the potential investments linked to the acquisitions of holdings.



<sup>1</sup> See the paragraph in Chapter 6 entitled "Access to the Paris-Charles de Gaulle Airport".

## Aéroports de Paris provisional investment programme within the regulated scope between 2016 and 2020

The projected investment programme within the regulated scope<sup>1</sup> breaks down as follows:

<i>(in millions of 2016 euros)</i>	Actual 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Total 2016-2020
<b>Maintenance</b>	<b>196</b>	<b>253</b>	<b>258</b>	<b>243</b>	<b>170</b>	<b>1,120</b>
Paris-Charles de Gaulle - Renovation of terminal 2B	12	23	44	53	5	136
Paris-Charles de Gaulle - Renovation of terminal 2D	-	-	-	1	10	11
Paris-Charles de Gaulle - Current Investments	121	124	98	82	81	506
Paris-Orly - Current Investments	42	87	98	90	58	375
Paris-Le Bourget - Current Investments	1	3	2	2	1	9
Aeronautical real estate - Current Investments	6	3	2	3	3	17
Computer networks and systems	14	13	14	13	12	67
<b>Compliance with regulations</b>	<b>53</b>	<b>41</b>	<b>9</b>	<b>8</b>	<b>6</b>	<b>117</b>
Regulatory runway investments	38	23	5	4	6	75
Rainwater	11	17	3	-	-	32
Other regulatory compliance investments	3	2	1	4	-	10
<b>Optimisation of capacities and One Roof initiative</b>	<b>117</b>	<b>147</b>	<b>192</b>	<b>145</b>	<b>64</b>	<b>665</b>
Paris-Orly - Connecting of the South and West terminals	101	94	92	30	24	341
Paris-Charles de Gaulle - Connecting of the 2B and 2D terminals	2	4	34	39	7	87
Paris-Charles de Gaulle - Connecting of terminal 1 satellites	4	9	41	40	4	97
Airport infrastructures	4	4	8	19	3	37
Other terminal projects	7	35	15	11	14	82
Terminal 4 preparatory work	-	1	2	5	12	20
<b>Improving access</b>	<b>20</b>	<b>21</b>	<b>41</b>	<b>37</b>	<b>25</b>	<b>144</b>
Paris-Charles de Gaulle - CDG Val	-	-	-	10	-	10
Paris-Charles de Gaulle - West access and secondary network	5	4	7	6	-	21
Relocation of taxi operating base	-	8	2	-	-	10
Paris-Orly - Projects linked to the building of the future Grand Paris station	9	2	6	17	23	57
Other miscellaneous projects	6	7	26	4	2	45
<b>Connecting platform competitiveness and other processes</b>	<b>105</b>	<b>115</b>	<b>146</b>	<b>111</b>	<b>109</b>	<b>586</b>
Terminals	15	12	12	17	2	58
Paris-Charles de Gaulle - Aeronautical aprons and taxiways	4	14	30	26	43	116
Operational reliability	19	20	22	17	27	104
Luggage sorters	55	55	67	37	25	239
Improving flows	3	5	7	4	4	23
IT projects	9	10	10	9	8	46
<b>Service quality and sustainable development</b>	<b>28</b>	<b>51</b>	<b>39</b>	<b>33</b>	<b>20</b>	<b>171</b>
<b>Aeronautical real estate development</b>	<b>17</b>	<b>20</b>	<b>46</b>	<b>17</b>	<b>53</b>	<b>154</b>
<b>Functional departments</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>4</b>
<b>Provisions for study expenses for ERA 2021-2025 operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>17</b>	<b>28</b>
<b>GRAND TOTAL</b>	<b>538</b>	<b>650</b>	<b>732</b>	<b>606</b>	<b>464</b>	<b>2,990</b>

<sup>1</sup> See Chapter 6 "Determination of the regulated scope".

## PLANNED INVESTMENT PROGRAMME FOR THE PARIS-CHARLES DE GAULLE PLATFORM (REGULATED SCOPE)

As part of the 2016-2020 ERA, the planned investment programme within the regulated scope for Paris-Charles de Gaulle airport totals €1,710 million (in 2016 euros).

It includes in particular:

- ◆ a renovation project for terminals 2B and 2D and a link between the two terminals which will provide additional space in 2B and pool passenger processes (security check and luggage delivery). The project must enable the entire 2BD complex to adapt to the expected increase in international medium- and long-haul traffic, notably via the increase in wide-body capacity, which is currently saturated;
- ◆ the building of a link between the international satellites in terminal 1 to increase capacity for international long-haul traffic, adapt the terminal to evolving airline fleets and improve the customer experience (construction of new boarding lounges, increase in the size of existing boarding areas and rebuilding of satellite 2);
- ◆ the creation of a global luggage conveyor, sorting and security system in halls L and M of terminal 2E to deliver local and transit luggage from the same container loading position, therefore creating significant synergies for both loading tasks (baggage handler productivity) and for delivery to the aircraft (optimisation of delivery personnel rounds);
- ◆ due to its age, renovation of runway 2 (dual South runway), carried out together with the upgrading of the platform's runways according to the European standards defined by the European Aviation Safety Agency (EASA) including:
  - ◆ the widening of taxiway turns, and
  - ◆ the creation of safety areas at the end of the runways;
- ◆ the upgrading of the wastewater management and treatment systems for wintertime, in line with the quantitative and qualitative disposal criteria set by regulations.

The projected investment programme should allow, among other things, an increase of capacity of Paris-Charles de Gaulle airport from 72 million passengers in 2016 to 81 million passengers after delivery of the projects mentioned above.

## PLANNED INVESTMENT PROGRAMME FOR THE PARIS-ORLY PLATFORM (REGULATED SCOPE)

As part the 2016-2020 ERA, the planned investment programme within the regulated scope for the Paris-Orly platform totals €1,099 million (in 2016 euros). It includes:

- ◆ completion of the "Paris-Orly Nouvel Envol" project, which began during 2011-2015 ERA, and includes, in particular:
  - ◆ completion of the extension to the East boarding lounge of the South Terminal,
  - ◆ construction of a connecting building between the two existing terminals,
  - ◆ extension of the international baggage claim area at the South terminal.

This work will significantly improve quality of service and support the growth expected at the platform:

- ◆ renovation of runways 3 and 4, carried out together with the upgrading of the airport's runways according to the European standards defined by the EASA including the:
  - ◆ widening of taxiway turns,
  - ◆ the creation of safety areas at the end of the runways.

The projected investment programme should allow, among other things, an increase of capacity of Paris-Orly airport from 29 million passengers in 2016 to 32.5 million passengers after delivery of the projects mentioned above.

## PLANNED INVESTMENT PROGRAMME FOR THE PARIS-LE BOURGET PLATFORM (REGULATED SCOPE)

As part the 2016-2020 ERA, the planned investment programme within the regulated scope for the Paris-Le Bourget platform totals €55 million (in 2016 euros). It includes the construction of two new maintenance centres for two major business aviation operators.

## PROJECTED CROSS-FUNCTIONAL PURCHASE PROGRAMME (REGULATED SCOPE)

Under the 2016-2020 ERA, the projected regulated scope purchase programme envisages €125 million (in 2016 euros) of cross-functional purchases, of IT tools in particular.

## Planned investment programme for retail and real estate activities

### PLANNED INVESTMENT PROGRAMME FOR RETAIL ACTIVITIES FROM 2016 TO 2020

Aéroports de Paris SA plans to invest €634 million in retail operations (in 2016 euros) between 2016 and 2020, of which €133 million is allocated to special operations with a strong leverage effect including:

- ◆ the redesign of the international area of the Paris-Orly South Terminal;
- ◆ phases two and three of the redesign of hall K in terminal 2E at Paris-Charles de Gaulle;
- ◆ the redesign of hall L in terminal 2E at Paris Charles de Gaulle;
- ◆ the connection between the international satellites at Paris CDG terminal 1;
- ◆ the redesign of the public area of Paris-Charles de Gaulle terminal 1.

### PLANNED INVESTMENT PROGRAMME FOR DIVERSIFICATION REAL ESTATE ACTIVITIES FROM 2016 TO 2020

The 2016-2020 Aéroports de Paris SA planned investment programme includes €355 million (in 2016 euros) in real estate diversification investments including:

- ◆ the building of a new Aéroports de Paris registered office at Paris-Charles de Gaulle;
- ◆ renovation of the RER station at Roissy-Charles de Gaulle;
- ◆ renovation of the Orlytech zone.

## Contractual commitments for fixed asset acquisition

Contractual obligations for fixed asset acquisitions totalled €405 million on 31 December 2016:

- ◆ €215 million for capacity investments;
- ◆ €20 million for restructuring investments;
- ◆ €52 million for renovation and quality investments;
- ◆ €63 million for investments related to real estate developments;
- ◆ €16 million for security investments;
- ◆ €39 million for investments for design and technical monitoring costs.



06

## BUSINESS OVERVIEW

### 6.1 PRESENTATION OF THE ACTIVITY

General description	28
The group's strengths	29
Strategy	30

### 6.2 OVERVIEW OF THE MARKET

Airport operations	33
Passenger traffic	35
Cargo traffic	37
Competition	38
Factors of dependence	39

### 6.3 DESCRIPTION OF THE AIRPORTS OWNED OR OPERATED BY GROUPE ADP

Paris-Charles de Gaulle	40
Paris-Orly	44
Paris-Le Bourget	47
Civil airfields for general aviation	48

### 6.4 DESCRIPTION OF ACTIVITIES

Aviation	49
Retail and services	54
Real estate	60
International and airport developments	64
Other activities	70
Legal and regulatory environment	70

## 6.1 PRESENTATION OF THE ACTIVITY

### General description

A gateway to France, which is the world's leading tourist destination<sup>1</sup>, Groupe ADP is a major hub for international air transport. Its geographic location, first-rate infrastructures, competitiveness and solid economic model ensure that it is ideally placed to take

advantage of the economic growth expected in the medium and long term, particularly in emerging countries.

Aéroports de Paris owns and operates the three main airports in the Paris region (Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget), ten general aviation aerodromes and the Issy-les-Moulineaux heliport.

<sup>1</sup> 2015 data. Publication of 2016 data in April 2017.

In the three main airports, it provides facilities to accommodate passengers, airlines and cargo and postal services, and offers a range of services adapted to their needs.

With the 2012 acquisition of 38% of the TAV Airports Group (which operates 14 airports<sup>1</sup> including Istanbul Atatürk), the group is among the

largest airport groups worldwide, with 23 airports under management<sup>2</sup> and some 240 million passengers received in 2016.

Groupe ADP's activities are divided into five segments: aviation, retail and services, real estate, international and airport developments and other activities. They are detailed in this Chapter, under "Description of activities".

## Simplified financial information

(in millions of euros)	2016			2015 retraité		
	Revenue	EBITDA	Operating income from ordinary activities (including operating activities of associates)	Revenue	EBITDA	Operating income from ordinary activities (including operating activities of associates)
Aviation	1,743	488	186	1,735	469	181
Retail and services	941	527	409	935	540	440
Real estate	263	149	105	265	164	105
International and airport developments	97	3	(49)	96	(8)	54
Other activities	223	29	14	215	27	12
Inter-sector eliminations	(320)	(1)	(1)	(312)	(1)	(1)
<b>TOTAL</b>	<b>2,947</b>	<b>1,195</b>	<b>665</b>	<b>2,935</b>	<b>1,191</b>	<b>791</b>

06

## The group's strengths

Thanks to its exceptional strengths, diversification of activities and renowned expertise, Aéroports de Paris offers a solid profile and attractive growth prospects.

### A privileged location

The group enjoys a highly favourable geographic positioning thanks to the following:

- ◆ the appeal of Paris and France, the number-one tourist destination in the world<sup>3</sup>, and of Île-de-France, which is France's largest economic region;
- ◆ a catchment area with an estimated population of 25 million within a 200 km radius, a large part of which is directly accessible by TGV from Paris-Charles de Gaulle airport;
- ◆ the central position of Paris in Europe, which places Paris within a two-hour flight from most major European cities;
- ◆ the absence of other large airports within 300 km.

This privileged location allows Aéroports de Paris to attract a large amount of point-to-point traffic (76% of total traffic in 2016) and to continue its development as a prominent hub.

## Complementary platforms adapted to future global traffic growth

### An Île-de-France airport system composed of three complementary airports tailored to a diverse customer base

Together, the three airports of Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget form a complementary offering for every type of air traffic: long and medium haul, domestic, connections, low-cost, leisure/charter, and business. The ability of Paris-Le Bourget airport to handle business air traffic allows Paris-Charles de Gaulle and Paris-Orly airports to focus on commercial air traffic.

Thanks to this complementarity, Groupe ADP serves a wide range of customers. It hosts the largest international airlines, as well as low-cost carriers and the three major international alliances: SkyTeam, Star Alliance and oneworld. In this way, it has traffic that is balanced between major geographical areas. These elements allow it to diversify its growth and limit the risk of dependence on a single type of market or customer.

### A powerful hub

According to the ACI Europe "Airport Industry Connectivity 2016" report, which assesses the network of connections offered at the airports, the connecting platform at Paris-Charles de Gaulle, the primary base of the Air France-KLM Group, is ranked as the leading European hub for intercontinental connectivity, ahead of London-Heathrow and the 3<sup>rd</sup> European hub for global connectivity, behind Frankfurt and Amsterdam.

<sup>1</sup> Including Zagreb airport, whose concessionary company is 15% owned by TAV and 20.8% owned by Aéroports de Paris Management.

<sup>2</sup> Compared to 34 airports in 2015, due to the sale, in October 2016, of the stake in the Mexican airports (see the paragraph in Chapter 9 entitled "Highlights of the financial year").

<sup>3</sup> 2015 data. Publication of 2016 data in April 2017.

Moreover, Paris-Charles de Gaulle has a multi-modal network, as it is at the centre of a network of motorways (A1, A3, A104 motorways) and regional, national and international rail connections. In particular, the high-speed train station located in the heart of Paris-Charles de Gaulle terminal 2 provides an excellent air/rail interconnection. In addition, the bus stations will expand over time as a result of coach travel liberalisation.

Finally, the location of major freight players such as Air France-KLM, FedEx and La Poste at Paris-Charles de Gaulle airport enables interconnection and optimisation of their respective networks.

## Infrastructures well-suited to future global traffic growth

The group has world-class aeronautical infrastructures in Paris: two independent runways at Paris-Charles de Gaulle airport and three runways at Paris-Orly. For these two airports, significant land reserves combined with the ability to adapt and develop existing infrastructures make it possible to handle long-term air traffic growth.

## A clear legislative environment

The group has full ownership of its land and its airport facilities, and is, pursuant to the law and for an indefinite period, the operator of the Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports.

The Economic Regulation Agreement (ERA) 2016-2020 concluded with the French government for the 1 April 2016 to 31 March 2021 pricing periods provides the visibility required for aviation activities. The change in the scope of regulation on 1 January 2011 encourages the development of retail and diversification real estate activities.

Accordingly, under this agreement, Aéroports de Paris is authorised to raise the main airport fees as well as certain ancillary aviation fees up to a defined cap. The level of fees takes into account the compensation on capital invested<sup>1</sup> and enables gradual improvement of the profitability of the regulated scope until convergence with the level of capital invested in 2020 is reached. The rate increases/decreases are associated with the implementation of an investment programme (€3.0 billion for 2016-2020) and quality of service and productivity commitments.

## Non-regulated activities with high potential

### Retail activities

Groupe ADP has around 56,800 sq.m. of commercial space landside and airside<sup>2</sup>, which allows the group to offer its customers a competitive and diverse commercial offering. The potential for the development of future projects to increase the retail space in existing and new terminals, and to refine the current offering, enables Groupe ADP to continue to expand its retail activities.

### Diversification real estate

Aéroports de Paris has 360 hectares of land reserves earmarked for future property developments at its airports<sup>3</sup>.

## International and airport developments

TAV Airports' activities have been a source of diversification for the group since the Company acquired a 38% stake in TAV Airports in May 2012. The TAV Airports Group, whose activities are mainly located in Turkey, benefits from the dynamic Turkish Airlines and a privileged position in the Middle East. In 2016, TAV Airport Group's passenger traffic increased by 2.0%. Istanbul's excellent geographic position means that Turkey has the highest traffic growth potential in Europe with average annual growth estimated at +11% from now until 2023<sup>4</sup>.

## Strategy

### The Connect 2020 strategic plan<sup>5</sup>

Groupe ADP is one of the only global operators present throughout the entire airport value chain able to capitalise on all of its expertise. Thanks to this asset, the group aspires to become a global, integrated provider of airport services by increasing the competitiveness and appeal of its Parisian base for its customers, by expanding its know-how and by developing territories.

Equipped with a robust economic model and strong development potential, Groupe ADP is able to take on the changes occurring in global air transport.

While the number of worldwide passengers is doubling on average every 15 years, growth is gradually moving from Europe and North America to Asia and emerging countries. Moreover, competition is increasing for connecting traffic between airports with the proliferation of hubs, particularly in the Gulf. Competition is also growing between low-cost airlines, which historically operated in short and medium-haul traffic but have now entered long-haul traffic.

These changes are disrupting the traditional models of airline companies and European airports, but also provide opportunities for the group, which intends to confirm its position as a major player in the airport value chain.

Given this competitive environment, the competitiveness of airlines is increasing based on the airport's assets: its ability to meet their growth and other new needs, as well as assist them in their efforts to ensure better management of operating costs.

For airport managers, this means improving infrastructure quality and robustness, providing a suitable fee structure and first-rate quality of service and passenger facilities.

CONNECT 2020 is Groupe ADP's strategic plan for 2016-2020. It was developed to address this changing, high-potential environment. It continues the Company's evolution, launched at its conversion to a limited liability company in 2005 and its listing on the stock market in 2006.

**Having previously focused on developing the capabilities of Paris-Charles de Gaulle and the quality of service of the Parisian airports, the group is now concentrating on developing its global potential to meet one goal: to be a leading group in airport design, construction and operations. Groupe ADP's strategic plan is based on four fundamental values, which reflect its identity and ambitions: confidence, commitment, boldness and openness.**

<sup>1</sup> Please also refer to the paragraph in Chapter 6 on "Fees".

<sup>2</sup> Please also refer to the paragraph in Chapter 6 on "Retail and services".

<sup>3</sup> Please also refer to the paragraph in Chapter 6 on "Real estate".

<sup>4</sup> Source: Turkish Ministry of Transport.

<sup>5</sup> Strategy file detailing the objectives set up by the plan published on 12 October 2015.

In order to meet the challenges of competition, appeal and growth that it faces, the group, intends to implement its activities for the 2016-2020 period based on CONNECT 2020's three main strategic priorities:

- ◆ **optimise, by making the most of the group's resources;**
- ◆ **attract, by targeting excellence;**
- ◆ **expand, by stimulating and sharing sustainable growth.**

CONNECT 2020 embodies the group's strategy: a connection hub for regions, passengers, airline companies and the many skills of our employees.

The strategic plan is a natural extension of the Economic Regulation Agreement (ERA) signed with the Government for 2016-2020 and defines the objectives for non-regulated activities: retail activities via terminal shops and services, diversification of real estate (hotels, offices, etc.), subsidiaries and international holdings.

The three priorities, which are transversal to the group's activities, are split into nine commitments which it has taken vis-à-vis its stakeholders, thus assuming its role as an integrator to unite all players for the benefit of the aeronautical sector and territorial competitiveness, in line with the new challenges of a competitive, open, complex and uncertain world.

## OPTIMISE: Make the most of the group's resources

Groupe ADP confirms the robustness of its economic and growth model. Within this framework, the group's first priority is to consolidate its fundamentals in order to create a solid base favourable to the sustainable growth of its activities. This optimisation aims to guarantee the operational performance of the airports, strengthen the performance of its companies and improve the group's financial performance.

### ENSURE OPERATIONAL PERFORMANCE

The handling capacity has significantly increased in Paris over the last ten years, from 77 million passengers to almost 102 million in 2016. At Paris-Charles de Gaulle, this means that it can meet the expected growth in traffic from now to 2023-2024 without having to build a new terminal. The ambitious and selective CONNECT 2020 investment programme, in the amount of €4.6 billion, of which €3 billion are allocated to the regulated scope, focuses on the optimisation of facilities and the transformation of infrastructure and equipment to ensure their robustness, productivity, adaptability and quality.

The investment plan addresses capacity, security and quality needs and focuses, in particular, on maintaining assets and ensuring regulatory compliance, it must also allow countering the growing spread and heterogeneity of facilities thanks to the deployment of a concept consisting of merging terminals as well as consolidating accessibility to, and the competitiveness of, the Paris-Charles de Gaulle hub.

On the Paris-Orly platform, the April 2016 inauguration of the South terminal pier, the new international boarding lounge, increased the terminal's capacity to 29 million passengers. Work continued on the link between the South and West terminals.

### STRENGTHEN COMPANY PERFORMANCE

Groupe ADP also intends to improve its internal organisation by optimising all of its operational and functional processes for greater effectiveness and responsiveness. The work underway will enable the upgrading of operating methods and will focus, in particular, on streamlining support business lines and functions, pooling operational units and on innovation for tools, management and working methods. These ongoing organisational and

cost control changes will contribute to achieving the objective of an 8% reduction in operating costs per passenger for the regulated scope between 2015 and 2020.

In this perspective, the responsibilities and objectives of the Executive Management of Airport Operations were defined in 2016, with a view to implementation during 2017.

## IMPROVE FINANCIAL PERFORMANCE

The group has set itself the goal of increasing its consolidated EBITDA by 30% to 40% over 2014 and of achieving Return On Capital Employed (ROCE) for the regulated scope at the level of the Group Weighted Average Cost of Capital (WACC), i.e., 5.4% while guaranteeing robust, high-quality service. The objectives will be met thanks to strict financial discipline, the continued search for savings and a strategy aimed at getting the most out of the retail model and increasing the value of the real estate assets portfolio.

## ATTRACT: Target excellence

Among other things, this strategic priority includes improving the competitiveness of the Paris-Charles de Gaulle hub with a new fee structure, an investment plan to improve hub operations and better quality of service for all passengers. In addition, Groupe ADP pursues its dynamic human resources policy to promote employee development and collective commitment and develops a strong brand strategy to affirm its identity.

## BECOME THE FIRST CHOICE OF CUSTOMERS

Paris is in open competition with other airports to gain passenger loyalty as the intercontinental traffic entry port and connection point for Europe.

CONNECT 2020 is intended help Groupe ADP to win market share through a proactive search for traffic via facilities performance, the appeal of its fee policy and its commitment to its customers. With the Connecting Clients 2020 plan the group is committed to raising the quality of its service to that of the best European airports, to providing the best of the Parisian experience through a differentiating retail and services offering and to simplifying and personalising the customer relationship by building on an expanded digital strategy.

Among the main actions decided for customers, the loyalty programme, which is primarily intended for French frequent flyer passengers, was launched in 2016 and incentives to attract airline companies were implemented.

In addition, as part of the traveller commitment programme and under its hospitality services, in 2016, Groupe ADP launched the "Customer Attitude" project whose goal is to define and then deploy among all employees the attitudes and gestures that are most suited to the profiles and expectations of the different customers at each key moment as they move through the terminals.

In 2016 Groupe ADP was rewarded for its efforts over many years. Paris-Charles de Gaulle airport was recognised as the airport showing the biggest improvement in the Skytrax ranking in 2016, climbing from 48<sup>th</sup> to 33<sup>rd</sup> place. It was also included in the 10 best airports in the world with more than 50 million passengers. In April 2016, Skytrax also declared Hall M in terminal 2E at Paris-Charles de Gaulle airport the best terminal in the world for shopping. Improvements in the catering offering were also recognised in June 2016 with the Oscar for Airports Chef-Led/Fine Dining of the Year (also called Airport Food & Beverage Offer Best Reflecting 'Sense of Place') awarded to the *I love Paris restaurant by Guy Martin*. This award recognises the restaurant's cuisine and the unique spirit of the location.

## ENCOURAGE EMPLOYEE DEVELOPMENT

Achievement of Groupe ADP's goals is made possible by the commitment and involvement of employees who share these goals and common values. With respect to working and management methods, the group intends to change managerial practices by laying the foundation for a shared culture based on trust which encourages initiative. The "Attitude Manager" project includes training for all managers, combined with a major in-house mobility programme to promote career development within the group and internationally. In addition, a set of measures will be deployed to change individual practices, assist teams with transformation projects and adapt the overall organisation. Groupe ADP intends to increase the level of employee satisfaction and commitment reflected in the results of surveys carried out by the independent institute Great Place to Work.

In 2016, the group also introduced an employee share-ownership structure comprising two facets:

- ◆ an offer to acquire Aéroports de Paris SA shares under preferential conditions reserved for employees of the Company and its subsidiaries who are members of the group savings plan in its latest amended version and to retirees and early retirees having retained shares in the plan;
- ◆ a free allocation of Company shares.

The principle of this transaction, validated by the Board of Directors, was approved by the Extraordinary General Meeting of Shareholders on 3 May 2016 and implemented immediately.

The plan has been very successful with more than 5,000 employees having subscribed to it.

## PROMOTE GROUPE ADP BRANDS

A new identity and brand architecture were revealed on 14 April 2016, with the creation of a group brand *Groupe ADP* and a Traveller's brand, *Paris Aéroport*. This two-tier identity will help increase awareness of the group among its customers and partners, both in France and abroad, as well as unite employees. The brand embodies the airport's leadership goal in terms of assisting the development of all group activities and will be built primarily on the experience of customers who use our facilities. The identity is supplemented by a programme of 20 commitments to our passenger customers, our airline customers, the regions and employees. For example, our travellers commitments are:

- ◆ "You control your time":
  - ◆ optimised queuing: waiting time before security controls less than or equal to 10<sup>1</sup> minutes and communication of waiting time in real time,
  - ◆ digital airport: launch of a new Internet site and mobile application, with new services,
  - ◆ le Bus Direct: launch of new premium service Le Bus Direct, in addition to the Roissybus and Orlybus lines;
- ◆ "Enjoy yourself":
  - ◆ shopping: almost 395 stores in the airports,
  - ◆ wellbeing: for long-haul connections, creation of the "Instant Paris" lounge: hotel, catering, relaxation;
- ◆ "Instilling confidence":
  - ◆ security: 5,000 air transport security professionals,
  - ◆ surveillance: 8,400 cameras monitoring the facilities 24/7;

### ◆ "Recognition":

- ◆ launch of a new loyalty programme open to all,
- ◆ reception: 5,000 people to welcome, inform and guide,
- ◆ multilingual: the airport information is available in 11 languages (on the website, on the Paris Aéroport app and on the WIFI portals accessible at the airport);

### ◆ "For your delight":

- ◆ culture: creation of a Museums space, launch of the Paris Worldwide application, a guide to your travels, visits and weekends starting from the Parisian airports,
- ◆ know-how: presenting the work of the largest luxury fashion houses and French fine wines in the stores.

The group has also implemented a series of actions to ensure that its new brand "Paris Aéroport" brand is more visible in the terminals thanks to cultural events and the development of digital communication. By promoting its new identity, the group intends to become the first real airport brand in the world. The brand will inspire trust and reflect the promise to its customers in terms of quality of service, "Paris vous aime".

## EXPAND: Stimulate and share sustainable growth

Groupe ADP's third priority is to create new value via a global offering for its customers, for the development of the region and to export its know-how to other markets. To do so Aéroports de Paris can count on its in-depth knowledge of all airport businesses to understand the challenges facing each one, optimise the relationships between players, operate in a network, promote partnerships that create value and conquer new markets, particularly abroad.

## BE A SOLUTIONS INTEGRATOR

The challenge is to unite the extended airport community through cooperative projects required for the development and competitiveness of the Paris market place. On-time flights and cargo are symbolic of this unifying role that Groupe ADP can play for the benefit of the entire airport chain. Thanks to its collective commitment, the group intends to increase Paris' leadership in European cargo and significantly improve the on-time performance of flights at Paris-Charles de Gaulle by 2020.

In this respect, 2016 was marked by three major events:

- ◆ the inauguration of the extension of the FedEx hub at Paris-Charles de Gaulle;
- ◆ the hosting of the Air Cargo Forum in Paris, the largest global meeting of air cargo professionals, co-organised by Groupe ADP;
- ◆ and Paris-Orly obtained the Airport CDM (Collaborative Decision Making) accreditation awarded by Eurocontrol.

Moreover, as part of the close collaboration with the French Air Navigation Services Division (DSNA), several measures were implemented in 2016 at Paris-Charles de Gaulle, some of which were the first of their kind in Europe. For example, "RECAT", an optimisation programme to improve runway capacity, and "RWSL", a security system which automatically detects when the runway is occupied to send an alert to pilots using a beacon. These measures form part of the recommendations of the International Civil Aviation Organisation (ICAO) and the European Commission's programme to improve air transport.

<sup>1</sup> In 90% of cases.

## GROW WITH TERRITORIES

Regions and airports share the same strategic challenge, which is capturing global growth for the benefit of Paris. By ensuring connectivity with the rest of the world, airports provide an essential link for city development. In the competition between major world cities, having an airport system which includes Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget is a considerable asset for Paris.

Groupe ADP wants to sustainably anchor its activity and contribute to the economic and social development of the city and the regions surrounding the airports. For this purpose, CONNECT 2020's strategy is to proactively develop routes in order to increase the long-haul network to/from Paris. At the end of 2016, the French government clarified the legislative framework in which the three partners will perform their tasks as infrastructure manager for the CDG Express route. This key step lays the groundwork for the creation of the infrastructure manager by the end of July and the finalisation of the concession contract binding it to the French government. This milestone for the continuation of the project, combined with today's publication of the prefectural order modifying the declaration of public utility of the CDG Express project, confirms the objective of opening the CDG Express link by the end of 2023. This rail link will adapt access to Paris-Charles de Gaulle airport to increasing traffic and improve passenger flow. The group also intends to strengthen its presence at the heart of local economies by becoming a leading player in Grand Paris. Finally, the group is strengthening its actions in the fight against climate change and aims to improve its energy efficiency by 1.5% a year over the 2016-2020 period.

In 2016, the certification of the energy management system according to ISO 50001, obtained in June 2015, was confirmed by the follow-up audit. Also, in 2016 the Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports maintained their certification to the ISO 14001 standard as well as the Airport Carbon Accreditation (ACA) level 3 certifying management of internal and external greenhouse gas emissions.

## CONQUER NEW MARKETS

The expansion of Groupe ADP abroad enables it to take advantage of some of the opportunities offered by increased global traffic. Following the acquisition of 38% of TAV Airports, the group aims to strengthen its position in regions in which it already has operations and develop in regions with high growth potential. Over time, the group plans to expand its airport portfolio by targeting new significant acquisitions abroad.

### The group's 2020 objectives

To summarise, CONNECT 2020, Groupe ADP's strategic plan, implements an industrial strategy to promote the overall competitiveness of the aeronautical sector and of the regions, in line with the Economic Regulation Agreement 2016-2020 signed on 31 August 2015.

Groupe ADP has set the following main objectives for 2020, (of which a growth in international traffic of 3.6% per year on average between 2016 and 2020) based on an assumption for growth in passenger traffic in Paris of 2.5% per year on average between 2016 and 2020e;

- ◆ return on the capital employed in the regulated scope: return of the capital employed in the regulated scope<sup>1</sup> in line with the group's average weighted cost of capital estimated at 5.4% in 2020e;
- ◆ service quality: attainment of an overall ACI/ASQ score of 4 for departing passengers;
- ◆ retail: expected sales of airside shops per departing passenger of €23 on a full year basis after delivery of the infrastructure projects planned for 2016-2020e;
- ◆ real estate: growth in external rent (excluding re-invoicing and indexing) from real estate activities of 10 to 15% between 2014 and 2020e;
- ◆ control over operating costs: limiting the increase in parent company operating costs to less than or equal to 2.2% per year on average between 2015 and 2020e;
- ◆ profitability: growth in consolidated EBITDA between 30 and 40% from 2014 to 2020e, thanks to the items below.

06

## 6.2 OVERVIEW OF THE MARKET

### Airport operations

#### Aéroports de Paris is an airport operator

Present at each step of the passenger and merchandise flow, the operator's role is to optimise the various flows intersecting at the airport: aircraft flows in the aeronautical areas, passenger flows in the terminals and through the various security control systems, luggage flows, cargo flows and supply flows between the landside areas and the aircraft. It must also ensure the interface between the various parties to which it provides services and facilities.

In order to achieve this:

- ◆ it designs and organises the construction of airport infrastructure and access;
- ◆ it provides airlines and other professional service providers with infrastructure and facilities such as check-in counters, boarding areas, baggage carousels, aircraft parking areas, offices and lounges,

which are allocated to users throughout the day. It also provides them with services such as telecommunications, power, utilities and waste treatment;

- ◆ it determines the establishment of and rents out commercial spaces, especially shops, bars and restaurants;
- ◆ it welcomes and informs passengers, facilitates traffic and ensures that services are available to enhance their comfort such as car parks, hotels, telecom services, personalised reception;
- ◆ it carries out, under the control of government authorities, air transport security measures.

Aéroports de Paris' general operating conditions are detailed in its specifications, described in the paragraph in Chapter 6 "Specifications".

While the assignment and allocation of take-off and landing slots fall under the authority of an independent organisation, Aéroports de Paris is responsible for assigning airlines to the various terminals within a single airport and, according to specific procedures, to the different airports.

<sup>1</sup> See Chapter 6 "Determination of the regulated scope".

## Airlines and their ground handling services

The airport operator's responsibility toward passengers ends when the passenger is placed under the airline's control. In practice, this is from the beginning of the boarding procedure to the end of the passenger disembarkation procedure. Airlines are also responsible for all aircraft loading and unloading procedures. They also rely on service providers, who are known as ground handling companies.

Airlines may cooperate with each other through different arrangements, such as interline agreements that enable the point-to-point handling of connecting passengers, or the sharing of codes that allow an airline to sell tickets for a flight operated by its partner. Although alliances (Skyteam, Star Alliance and oneworld<sup>1</sup>) are the preferred framework for cooperation between intercontinental carriers, smaller scale forms of partnership are increasingly emerging, and especially joint ventures, covering specific lines or groups of lines. These airlines serve different customer segments with a differentiated service offering and a portfolio of destinations that are interconnected through their own network (their hubs) or those of other airlines. Although all carriers expect an excellent quality of ground service from the airport operator, if they are members of an alliance they usually also want access to facilities, products and services that make connections easier, to be brought together under one roof (in the same terminal) and to be able to share facilities. In the medium-haul point-to-point market, the model inspired by low-cost airlines is also starting to dominate, including within traditional airlines. The main focus is on reducing operating costs in order to offer customers the lowest prices. To achieve this goal, airlines expect the airport operator to simplify the ground handling process, reduce aircraft turnaround times and provide products and services tailored to their type of customer.

Charter airlines are characterised by their non-regular service offering. They are chartered by Tour Operators to whom they offer a seat allocation. They generally expect the airport operator to provide them with functional facilities and simple ground-handling procedures.

## Cargo and mail business

There are several types of players in cargo and mail:

- ◆ the loaders, who are at the start of transport operations, have goods to be transported from one place to another. They sign a contract with a forwarding agent, who organises shipment from point to point on their behalf;
- ◆ the cargo forwarding agents or cargo agents who are both transit agents and logistics specialists. They organise the collection, transport and delivery of the goods and are responsible for organising the entire transport chain;

- ◆ the "General Sales Agents" (GSA), designated by an airline company to sell cargo capacities in aircraft holds on their behalf;
- ◆ airlines, which transport cargo either in the hold of passenger flights (mixed flights) or in all-cargo flights;
- ◆ express freight service providers or integrators, in particular FedEx whose European hub is located at Paris-Charles de Gaulle airport, but also DHL, TNT and UPS, etc.;
- ◆ traditional mail service providers such as the French postal service La Poste, who has concentrated all of its airmail services at Paris-Charles de Gaulle airport;
- ◆ handlers (ground-handling), responsible for receipt and packaging of goods in the cargo stores before they are loaded onto the aircraft;
- ◆ ground-handling services, which carry out the transport of cargo airside as well as loading it on to the aircraft.

The administrative departments relating to cargo and mail control include:

- ◆ the Customs Authority, which monitors the entire control and surveillance (protection of citizens) process for goods entering and leaving the country. It clears goods for export and collects customs duties on goods being imported;
- ◆ the veterinary and plant protection departments, who perform phytosanitary checks on perishable products and living animals.

## Government services and agencies

Aside from their regulatory role (see the Chapter 6 paragraph "Fees"), the Government authorities are responsible for a certain number of services:

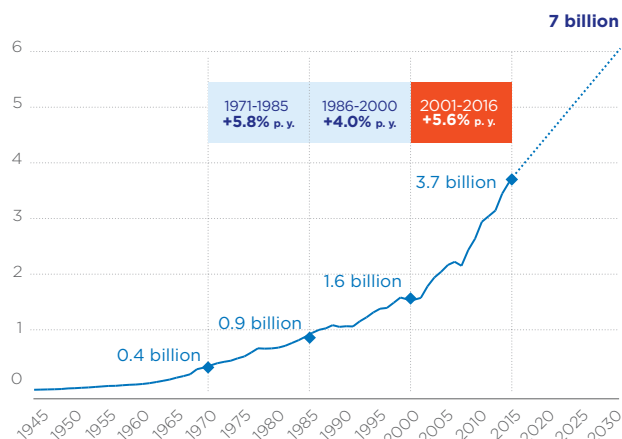
- ◆ air traffic control, provided by the Air Navigation Services Division within the DGAC (Direction Générale de l'Aviation Civile - French Civil Aviation Authority). The Government is responsible for managing the arrival and departure of aircraft to and from the aircraft parking areas. It determines the capacity of each airport in terms of aircraft movements;
- ◆ security operations such as background checks on persons authorised to enter airside areas and the supervision and control of security operations carried out by airport operators and security agents. The Government delegates implementation of certain Aéroports de Paris security services: passenger, luggage, staff and merchandise security checks;
- ◆ public safety services, which are the responsibility of the French border police (DPAF) and the Air Traffic Police (GTA);
- ◆ and border controls carried out on persons by French border police and by the Regional Directorate for Sanitary and Social Affairs at the French customs points for the control of goods. The health controls conducted by the State health services, who may be assisted by Aéroports de Paris.

<sup>1</sup> The members of the SkyTeam Alliance in Paris are Aeroflot, AeroMexico, Air Europa, Air France, Alitalia, China Eastern, China Southern, Czech Airlines, Delta, Kenya Airways, KLM, Korean Air, MEA, Saudia, Tarom and Vietnam Airlines. The Star Alliance members present in Paris are Adria Airways, Aegean Airlines, Air Canada, Air China, Air India, ANA, Asiana Airlines, Austrian, Brussels Airlines, Croatia Airlines, Egyptair, Ethiopian, Eva Air, LOT Polish Airlines, Lufthansa, SAS Scandinavian Airlines, Singapore Airlines, Swiss, TAP Portugal, THAI, Turkish Airlines and United. The oneworld members present in Paris are Air Berlin, American Airlines, British Airways, Cathay Pacific, Finnair, Iberia, Japan Airlines, LATAM, Qatar Airways and Royal Jordanian.

## Passenger traffic

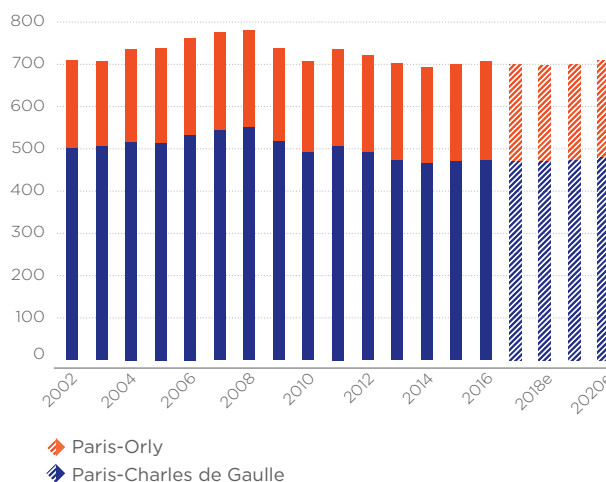
### Trends in air traffic and expected global growth<sup>1</sup>

(in billions of passengers)



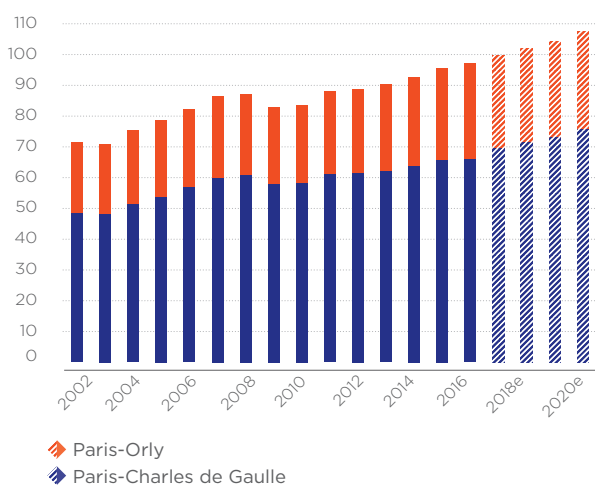
### Changes in aircraft movements at Paris Aéroport<sup>2</sup>

(in thousands of movements)



### Trends in passengers traffic at Paris Aéroport<sup>2</sup>

(in millions of passengers)



### Change in traffic at Paris Aéroport<sup>2</sup> in 2016

In 2016, traffic increased by 1.8% compared to 2015, to 97.2 million passengers: it increased 0.3% at Paris-Charles de Gaulle (65.9 million passengers) and 5.3% at Paris-Orly (31.3 million passengers).

Traffic grew by 1.5% in the 1<sup>st</sup> half of 2016 and by 2.1% in the 2<sup>nd</sup> half.

The number of connecting passengers increased by 1.2% and the connecting rate fell by 0.1 points to 23.9%.

Air traffic movements (707,403) were up by 1.0% at Paris-Orly and Paris-Charles de Gaulle. At Paris-Le Bourget, they decreased by 1.1% to 52,935.

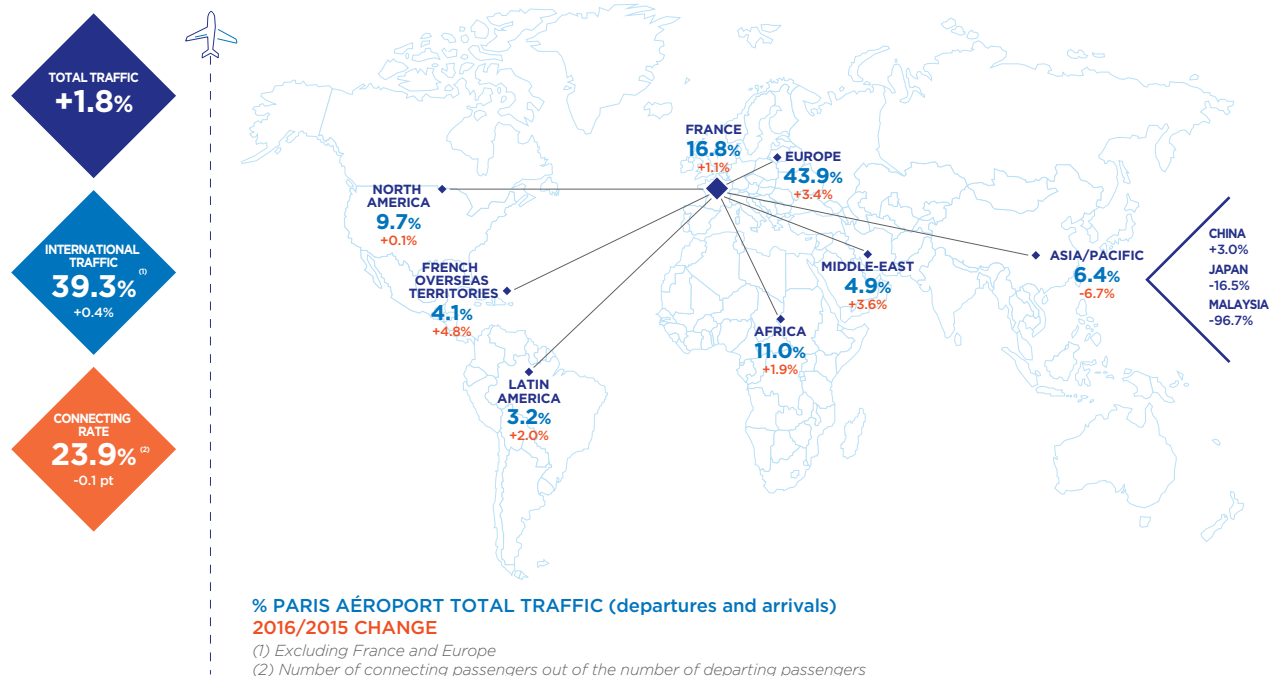
Low cost airline traffic (19.8% of total traffic) was up by 13.1%.

Freight and postal activity increased by 1.2%, with 2,243,160 tonnes transported.

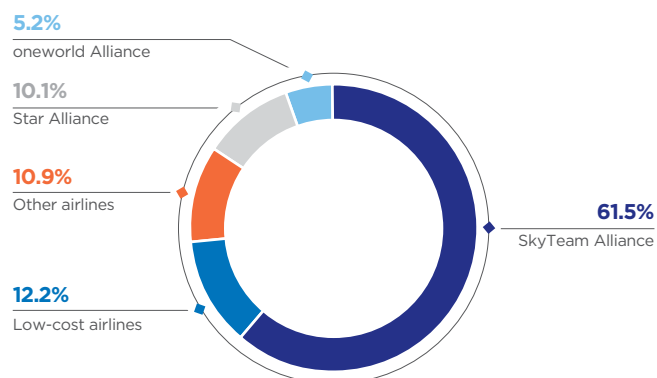
<sup>1</sup> Sources: Aéroports de Paris/OACI 2017/IATA Air Passenger Forecasts 2015-2035.

<sup>2</sup> Paris-Charles de Gaulle et Paris-Orly. Source: Aéroports de Paris.

## Breakdown Paris Aéroport's passenger traffic in 2016, by destination<sup>1</sup>



## Paris Aéroport's passenger traffic in 2016, by type of airline<sup>1</sup>



The main airlines that operate from Paris-Charles de Gaulle and Paris-Orly are Air France<sup>2</sup> (46.8% of overall traffic), easyJet<sup>3</sup> (7.9%), Transavia.com (4.4%), Vueling (3.7%) and Delta Airlines (1.7%).

## 2016 Groupe ADP traffic by airport<sup>4</sup>

	Groupe ADP traffic (in million of passengers)	Groupe ADP stake <sup>1</sup>	Stake-weighted traffic (million passengers)	2016-2015
Groupe ADP	Paris Aéroport	@ 100%	97.2	+1.8%
	Zagreb	@ 20.8%	0.6	+6.9%
	Jeddah-Hajj	@ 5%	0.4	+6.8%
	Amman	@ 9.5%	0.7	+4.4%
	Mauritius	@ 10%	0.4	+10.6%
	Conakry	@ 29%	0.1	+27.3%
	Santiago de Chile	@ 45%	8.6	+11.3%
TAV Airports Group	Istanbul Atatürk	@ 38%	22.8	-2.0%
	Ankara Esenboga	@ 38%	5.0	+7.7%
	Izmir	@ 38%	4.5	-1.9%
	Other airports <sup>2</sup>	@ 38%	7.3	+5.5%
<b>TOTAL GROUP EXCLUDING MEXICAN AIRPORTS</b>			<b>147.0</b>	<b>2.0%</b>

<sup>1</sup> Direct and indirect - excluding stake in the Mexican airports sold in 2016, see the paragraph in Chapter 9 entitled «Highlights of the financial year».

<sup>2</sup> Milas-Bodrum (Turkey), Croatia (Zagreb), Saudi Arabia (Medinah), Tunisia (Monastir & Enfidha), Georgia (Tbilisi & Batumi), and Macedonia (Skopje & Ohrid). On a regulated scope basis, including Milas-bodrum international terminal traffic in 2015, traffic of other TAV Group airports would be up by 0.5% in 2016 compared to 2015.

<sup>1</sup> Source: Aéroports de Paris.

<sup>2</sup> Air France KLM, Hop!

<sup>3</sup> EasyJet Airlines Co and EasyJet Switzerland.

<sup>4</sup> The total traffic of Groupe ADP has risen to 240 million passengers in 2016, an increase of 2.3% compared with 2015.

## Cargo traffic

There is no single international definition of what constitutes air cargo. The International Civil Aviation Organisation (ICAO) defines air cargo as merchandise transported by air for a fee, with the exception of mail, while the International Air Transport Association (IATA) defines cargo as all goods including mail, with the exception of baggage. Groupe ADP adopted the IATA definition. The concept of cargo includes freight and mail.

Cargo is a highly complementary business to passenger transport because it allows for the optimum use of aeronautical infrastructure throughout the day, as cargo companies do not have the same scheduling constraints as passenger companies. Cargo is transported both on all-cargo flights and on mixed flights. Cargo is carried in the holds of passenger aircraft.

### Trends in cargo and mail at the Paris-Charles de Gaulle and Paris-Orly airports

In 2016, Aéroports de Paris estimates that it handled 2.22 million tonnes of cargo (+1.2% compared with 2015) at the Paris-Charles de Gaulle (2.1 million tonnes, up 2.1%) and Paris-Orly (0.11 million tonnes, down 14.3%) airports.

In 2016, the trend already seen in previous years toward a greater volume of cargo transported in dual-purpose aircrafts than in all-cargo flights continued. A total of 60% of cargo was transported by "passenger" aircraft, and 40% by all-cargo aircraft. This development of the strategy of large air cargo transporters is a direct consequence of the various economic crises. Airlines, looking to reduce their costs, took advantage of the substantial holding capacity in passenger aircraft and the high flight frequencies and connections offered by the Paris-Charles de Gaulle hub to transport cargo in the "passenger" baggage hold rather than use cargo aircraft.

### Cargo strategy

Aéroports de Paris' strategy for its cargo business is to develop and increase the appeal of its Paris airports in order to win new markets and support cargo operators in the development of their activities.

In this context, Groupe ADP's goal with regard to cargo is for Paris-Charles de Gaulle to become the European leader in the years to come. Development of the cargo business is one of the themes of the Connect 2020 strategic plan, which specifically includes the creation of 100,000 sq.m. of additional cargo facilities over the 2016-2020 period, to support our customers' growth.

Groupe ADP's cargo strategy is based on four axes:

#### Recovering traffic

This entails the implementation of a marketing support programme to encourage the development of existing or new cargo routes or the introduction of new all-cargo airlines.

#### Commitment to better quality of service and a more attractive cargo zone

Besides the modernisation works and projects to offer facilities that meet the highest international standards, efforts are also focused on cleanliness, signage and security. A large security project undertaken with all of the operators installed accesses with video surveillance to improve lorry traffic and make the merchandise flows more secure.

With regard to real estate, the priority is to develop the active "front line" (zone comprising the warehouses closest to the aircraft, at the border between airside and landside). To do this, the group invested in border cargo warehouses with direct access to the runways to facilitate the

loading/unloading/customs clearance operations in the holds of all-cargo aircraft. It has also increased the number of advanced cargo storage platforms to take into account the movement of cargo to the holds of passenger aircraft.

The challenge is to also offer "tailor-made" solutions to the cargo forwarding agent partners: either in divisible warehouses co-financed by Groupe ADP or, like Bolloré or DHL, in private warehouses, or even by third party investors.

### Plan the development of the cargo business over the long term

Groupe ADP has launched, along with the cargo community, an airside equipment geolocation system project and an export animal station in addition to the existing import station. In addition, in collaboration with the IATA, since summer 2016, Groupe ADP has launched an initiative that enables all interested cargo operators to obtain CEIV Pharma certification; this has become the standard certification in response to increasing demand from the pharmaceutical industry: Air France Cargo and Bolloré Logistics are already certified.

Groupe ADP has also conducted several prospective studies relating to the opportunity for a shared air-sea offering with the ports of Paris Seine Normandy (HAROPA), on the changing business of cargo operators or on a European benchmark for the cost of a tonne of cargo on the entire logistics chain.

### Promotion of air cargo transport

Groupe ADP campaigns for the development of traffic rights (5<sup>th</sup> freedom rights) and measures for administrative simplification which improve the competitiveness of air cargo in France.

In this respect, the adoption in 2015 of the automatic reversal of VAT liability on import, a measure defended by Groupe ADP, allows agents and loaders to optimise their cash flow since they are no longer obligated to pay VAT on customs clearance.

Groupe ADP has made significant investments to ensure that Paris hosted the 28<sup>th</sup> edition of the Air Cargo Forum, which was held from 26 to 28 October at Porte de Versailles in Paris. Held every two years by the TIACA (The International Air Cargo Association), the main international association of air cargo professionals, this major event is the largest global meeting of players from this industry (airlines, airports, cargo forwarding agents, handling agents, integrators, express delivery providers and loaders, etc.). As joint host of the Parisian edition with Air France Cargo, Groupe ADP built a French village around a shared Groupe ADP/Air France Cargo stand. The 2016 edition of the Air Cargo Forum brought together more than 200 exhibitors and 3,000 visitors under the theme of "An open sky to innovation".

Last March, the group also participated in the International Week of Transport and Logistics (SITL).

### Initiatives and innovations that unite the Cargo Community

Innovation is at the heart of Groupe ADP's cargo strategy. As a coordinator and promoter of the cargo community, which includes more than 200 companies at Paris-Charles de Gaulle in addition to Government services, it supports several initiatives which aim to facilitate processing and goods handling operations.

For example, the electronic data exchange platform "Cargo Community System" - developed by CIN France (Cargo Information Network) and Groupe ADP, can trace cargo operations at the airport, while optimising compliance with customs regulations and safety and security obligations. The success of the deployment is evidenced by the fact that 115 airlines and 80 cargo forwarding agents are already using it.

This exchange platform pertains to the logic of e-freight, i.e., the possibility of issuing a paperless airway bill with its security certificate. This project, conducted with the Roissy Interregional Customs Service, will reduce the number of paper documents that accompanies each shipment.

Groupe ADP is also preparing to launch, in 2017, the first innovation challenge dedicated to cargo in the form of a competition organised for innovative start-ups and SMEs who are invited to invent and design new ground-breaking solutions. The winning ideas will be tested in experiment phases and the most promising projects will then be deployed at the Paris airports.

Moreover, Groupe ADP is a member of the "Roissy Carex" association, which was created to study the economic and technical feasibility of a high-speed cargo rail connection to the Paris-Charles de Gaulle platform.

Finally, Groupe ADP is also a stakeholder in Hubstart Paris Région\*: an association that brings together more than 30 public and private market players and works to promote the "Grand Roissy-le Bourget" zone via concerted and networked actions, to promote the introduction of logistics centres at the airport and in the areas surrounding the airport.

## Competition

Traffic is considered to be the most relevant indicator in the airport management sector.

The top ten international airports in terms of passenger traffic are:

Rank	Airport (IATA code)	2016 traffic (in millions of passengers)	2016/2015
1	Atlanta (ATL)	104.2	+2.6%
2	Beijing (PEK)	94.4	+5.0%
3	Dubai (DXB)	83.7	+7.2%
4	Los Angeles (LAX)	80.9	+7.9%
5	Tokyo (HND)	79.7	+5.8%
6	Chicago (ORD)	78.3	+1.8%
7	London (LHR)	75.7	+1.0%
8	Hong Kong (HKG)	70.3	+3.0%
9	Shanghai (PVG)	66.0	+9.9%
10	<b>Paris (CDG)</b>	<b>65.9</b>	<b>+0.3%</b>

Source: ACI Europe.

## Competition with other airports

Many airlines are members of alliances, allowing them in particular to combine their various destinations into networks so as to maximise the services offered to customers. In this context, the airport plays an essential role, since it constitutes the link between connecting flights. Its performance may thus be measured based on the connection possibilities that it offers.

With the consolidation of the airline industry around a few major alliances and their main airline members, Aéroports de Paris is primarily in competition with London Heathrow (75.7 million passengers in 2016), home to British Airways and the oneworld alliance members, and Frankfurt

airport (60.8 million passengers in 2016), hub for Lufthansa and its Star Alliance partners. Therefore, according to ACI Europe's "Hub Connectivity" report which evaluates the connections network offered at the airport, Paris-Charles de Gaulle is the 3<sup>rd</sup> European hub for global connectivity, behind Frankfurt and Amsterdam<sup>1</sup>. Paris-Charles de Gaulle is ranked as the leading European hub in the most profitable segment for intercontinental connections and is strengthening its position ahead of London-Heathrow and Frankfurt. Aéroports de Paris is also in competition with hubs further afield, such as Dubai (83.7 million passengers in 2016), home of Emirates, which are striving to become major international hubs between Europe, the Americas and Asia.

## Competition with France's regional airports

The leading French airports in terms of passenger traffic are:

Rank	Airport	Traffic 2016 (in millions of passengers)	2016/2015
1	<b>Paris-Charles de Gaulle</b>	<b>65.9</b>	<b>+0.3%</b>
2	<b>Paris-Orly</b>	<b>31.3</b>	<b>+5.3%</b>
3	Nice-Côte d'Azur	12.4	+3.4%
4	Lyon-Saint-Exupéry	9.4	+9.8%
5	Marseille-Provence	8.5	+2.6%

Source: Union des Aéroports français.

Competition with France's main regional airports is mainly limited to international traffic, since most of the domestic traffic at these airports is with Paris.

## Competition with specialised airports

Low-cost carriers, led by easyJet, account for 19.8% of the passenger traffic handled at Paris-Orly and Paris-Charles de Gaulle, and their presence will serve as a major source of growth for the airports in the coming years.

Paris-Charles de Gaulle and Paris-Orly airports compete with the Beauvais-Tillé airport. The latter received 4.0 million passengers in 2016, a decrease of 7.7%. However, Paris-Orly airport differentiates itself from this airport through its closeness to Paris, the quality of its facilities (runway equipment, passenger boarding bridges), the variety of retail outlets available to passengers, and by the quality of services offered to them in the terminals.

## Competition with other means of transportation

Although high-speed trains are generally preferred for trips of less than three hours, air travel is preferred when a trip takes more than four hours. Both Paris airports - Paris-Orly and, to a lesser degree, Paris-Charles de Gaulle - face competition from trains, which is likely to intensify with the increasing density of the French high-speed train (TGV) network and the European high-speed network (Thalys and Eurostar). Nonetheless, Groupe ADP believes that the TGV network also offers it advantages, since it delivers passengers to long-haul flights departing from Paris. This is made possible by the TGV train station located in the Paris-Charles de Gaulle airport, which handles approximately 3 million passengers annually.

<sup>1</sup> See the paragraph in Chapter 6 entitled "A powerful hub".

## Competition in the cargo and mail market

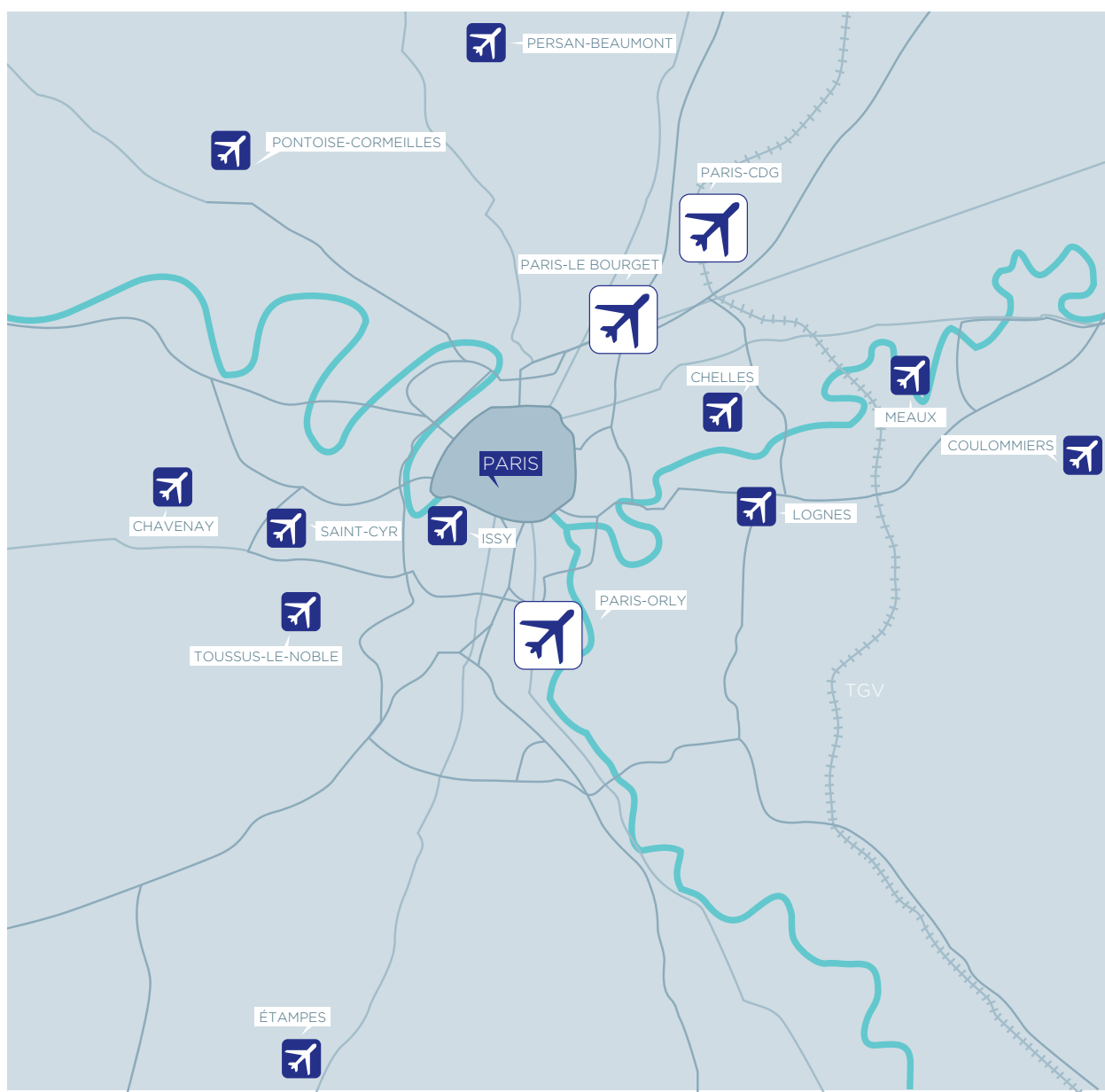
Aéroports de Paris is the European leader with 2.22 million tonnes of cargo and mail handled in 2016. Its main competitor in Europe is Frankfurt, which was the leading airport in terms of cargo in Europe in 2016, with 2.15 million tonnes treated in 2016, compared to 2.14 million tonnes handled at Paris-Charles de Gaulle.

## Factors of dependence

See the Chapter 4 paragraph entitled “Factors of dependence”.

## 6.3 DESCRIPTION OF THE AIRPORTS OWNED OR OPERATED BY GROUPE ADP

The map below shows the location of the airports and airfields owned or directly managed by Groupe ADP.



© Aéroports de Paris/Laboratoire.

Nearly 119,000 people<sup>1</sup> work at the Île-de-France airports, including 88,600<sup>2</sup> at Paris-Charles de Gaulle. It is estimated that the airports generate more than 340,000 jobs (directly or indirectly related, induced or catalytic), that is, more than 8% of salaried jobs in the Paris region.

## Paris-Charles de Gaulle



© Aéroports de Paris.

### General description

Located 25 kilometres north of Paris, Paris-Charles de Gaulle airport is built on 3,257 hectares. It handles the largest share of long-haul and intercontinental commercial connections of the airport system which also comprises Paris-Orly and Paris-Le Bourget. This positioning greatly structures the activity and identity of the airport, which is the world's gateway to France. It has nine passenger terminals with a theoretical capacity of 79 million passengers per year (72 million passengers per year at the end of 2016 due in large part to the temporary closure of terminal 2B) and six cargo terminals. With 65.9 million passengers in 2016 (up 0.3% compared to 2015), it is the 10<sup>th</sup> largest airport in the world, the 2<sup>nd</sup> in Europe and the 1<sup>st</sup> in France. Cargo and mail traffic totalled 2.1 million tonnes in 2016. Services were provided to 329 cities<sup>1</sup> worldwide from Paris-Charles de Gaulle airport in 2016.

Paris-Charles de Gaulle acts as the head office for around 88,600<sup>2</sup> direct jobs and 700 companies.

### A world-class infrastructure

#### Runways

Paris-Charles de Gaulle airport has a very efficient runway system consisting of two pairs of parallel runways with a physical layout that enables them to be used independently. Each pair includes one runway designed for take-off and another for landing, which reduces the noise disturbance caused by air traffic. Thanks to this system and the resources implemented by the Air Navigation Services Division, the programmed capacity will reach up to 120 movements per hour during the 2017 summer season. The entire runway system has been adapted to accommodate wide-bodied aircraft (Airbus A380).

The airport has 317 aircraft parking stands, including 145 contact stands. Out of the 172 outlying stands, 79 are used for cargo.

In 2016, the number of aircraft movements was 472,950, an increase of 0.8% compared with 2015.

<sup>1</sup> With a minimum of 12 movements during the year.

<sup>2</sup> All contracts combined (permanent, fixed-term, interim, work-study and other contracts). 2014 data.

## Nominal capacities of terminals at Paris-Charles de Gaulle

At the end of 2016, the nominal capacities of the terminals amounted to 72 million passengers, given the continuing work to refurbish terminal 2B.

(in millions of passengers/year)

	At the end of 2016	At the end of 2006
<b>Terminal 1</b>	<b>9</b>	<b>8</b>
<b>Terminal 2</b>	<b>59</b>	<b>36</b>
ABCD (Note: Terminal 2B has been closed for remodelling since 9 April 2013)	16	21
E	24	5
Of which		
Pier	7	5
Hall L (Satellite 3)	9	-
Hall M (Satellite 4)	8	-
F	16	11
G	3	-
<b>Terminal 3</b>	<b>4</b>	<b>4</b>
<b>TOTAL</b>	<b>72</b>	<b>47</b>

## A powerful hub

Paris-Charles de Gaulle airport is the global hub of Air France-KLM and the main European hub of the Skyteam Alliance.

According to the ACI Europe "Airport Industry Connectivity 2016" report which assesses the network of connections offered at airports, the connecting platform at Paris-Charles de Gaulle, the primary base of the Air France-KLM Group, is ranked as the leading European hub for intercontinental connectivity, ahead of London-Heathrow and the 3<sup>rd</sup> European hub for global connectivity, behind Frankfurt and Amsterdam.

It is the European hub of La Poste and FedEx; the extension underway will enable a 50% increase in sorting capacity and will be operational in 2019. It is also home to all of the main international freight companies.

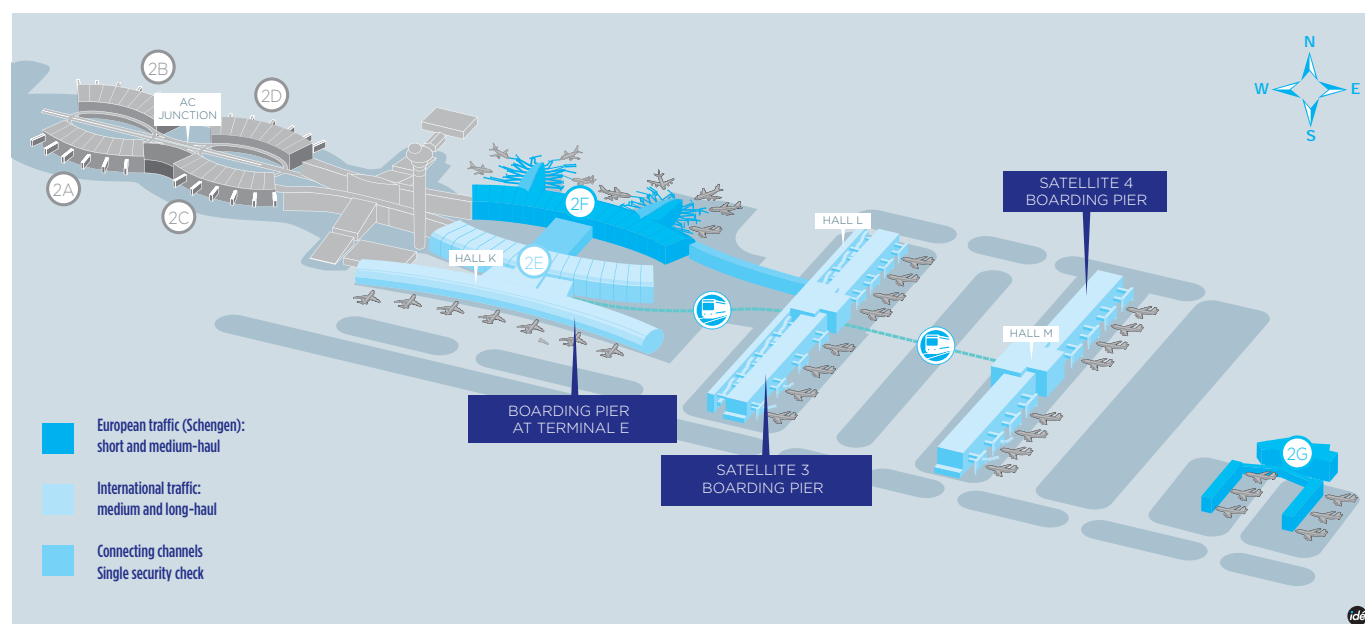
Its processing capacity of 3.6 million tonnes of cargo per year provides expansion opportunities for cargo companies.

Several improvement projects are intended to increase the appeal and performance of the hub, notably the opening in 2016 of Instant Paris, a lounge with, among other things, 80 rooms and a restaurant, and the launch of works to extend the baggage sorting system in Halls L and M.

The in-depth transformation of the infrastructure over the past years - the start-up of the A-C link from Hall M to Terminal 2E, the 100% Schengen use of Terminal 2F and the deployment of the Single Security Check - combined with well-managed operations have enabled the reconfiguration of the Paris-Charles de Gaulle connection platform and a sustainable improvement in the operational and commercial efficiency of the airport and of passenger handling.

06

## Infographic of Paris-Charles de Gaulle terminal 2

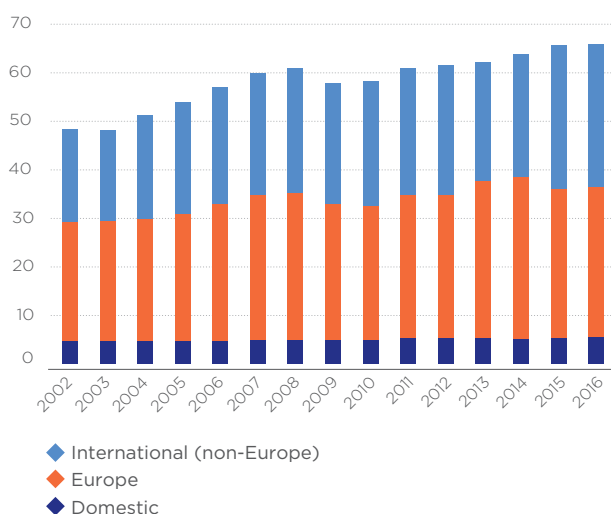


## Traffic

Point-to-point traffic accounts for over two-thirds of passenger traffic at Paris-Charles de Gaulle airport. In addition, the airport is also ideally located to attract connecting traffic, thus boosting long-haul traffic since Paris is less than two hours by air from all major Western European cities. In 2016, connecting traffic accounted for 31.9% of traffic.

## Growth in passenger traffic on the Paris-Charles de Gaulle platform

(in millions of passengers)



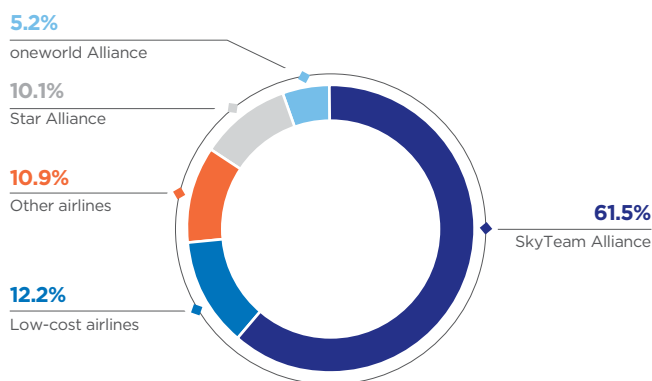
## Airlines

Paris-Charles de Gaulle's terminal 1 welcomes both international and Schengen traffic, notably bringing together the Star Alliance airlines.

Terminal 2 is home to international and Schengen traffic, notably from Air France-KLM and its partners from the Skyteam and oneworld alliance airlines.

Terminal 3 mainly hosts charter traffic and low-cost airlines.

## Passenger traffic per type of airline at Paris-Charles de Gaulle in 2016



The main airlines operating from Paris-Charles de Gaulle airport are Air France<sup>1</sup> (52.9% of traffic), easyJet<sup>2</sup> (6.9%), Delta Airlines (2.4%), Vueling (1.5%) and Lufthansa (1.5%).

## Access to the airport

The Paris-Charles de Gaulle airport is served by a road and railway network that provides easy access for passengers, cargo carriers and airport personnel. This places it at the cutting edge for intermodality compared with other airports. The airport is accessible thanks to the proximity of motorways, a TGV high-speed train station at the heart of terminal 2, two RER commuter stations and a coach station at terminal 1 in the Roissy-pole area. Lastly, the automatic shuttle rail service CDGVal connects the three airport terminals, the RER-TGV stations and the long-stay car parks.

In January 2014, Frédéric Cuvillier, the minister responsible for Transportation, the Oceans and Fisheries, announced during his visit to the Paris-Charles de Gaulle Airport with Augustin de Romanet, Chairman and CEO of Aéroports de Paris, the relaunch of the CDG Express project which, by 2024, will link the airport to the Gare de l'Est in 20 minutes, via the creation of a research company consisting of the Government, SNCF Réseau and Aéroports de Paris. This research company, called CDG Express Études, founded on 28 May 2014, is tasked with carrying out, or arranging, all studies necessary for the creation of a direct rail link between Paris and Paris-Charles de Gaulle airport, and conducting work with the French and European authorities as necessary in order to ensure the success of the CDG Express link. The Government has taken structuring decisions based on the studies completed.

By the order of 18 February 2016 ratified by Law no 2016-1887 of 28 December 2016 on the rail link between Paris (Gare de l'Est) and the transfer module at terminal 2 of Paris-Charles de Gaulle Airport, the Government granted a company majority held by SNCF Réseau and Aéroports de Paris, a works concession for the design, financing, building, development, operation and maintenance, including servicing and upgrades, of rail infrastructure for passenger transportation between Paris and Paris-Charles de Gaulle Airport. The rail infrastructure consists of existing sections, new sections providing access to the networks connecting the terminal train stations at Paris-Est and the Charles de Gaulle Airport, as well as the facilities located within these stations.

Furthermore in 2016, the project's financing procedures were clarified with the creation in the Amending Finance Law of a "CDG Express" contribution in the maximum amount of €1.40 per passenger, paid by non-connecting passengers at Paris-Charles de Gaulle starting in 2024, i.e. for the start-up of the link.

In accordance with this legislative framework, Groupe ADP, SNCF Réseau, joined by Caisse des Dépôts in February 2016, which together comprise the future infrastructure manager for the link, have provided the government with clarification of the economic and financial arrangements governing it, the terms of which were set out in the French authorities' notification to the European Commission pursuant to rules on state aid. This new step lays the groundwork for the creation of the infrastructure manager by the end of July 2017 and the finalisation of the concession contract binding it to the French government.

This milestone will facilitate the objective of opening the CDG Express link by the end of 2023.

Moreover, the "New Grand Paris" project stipulates that by 2024, Paris-Charles de Gaulle will be linked to Saint-Denis Pleyel by line 17. The airport will then be located 35 minutes from La Défense and 32 minutes from the Saint Lazare train station with a connection at Saint Denis Pleyel. The DUP file for line 17 North was presented for a public inquiry in April-May 2016. The inquiry commission submitted its report without reserves in July 2016.

<sup>1</sup> Air France-KLM, Hop!

<sup>2</sup> easyJet Airlines Co and easyJet Switzerland.

The preliminary draft of the file is in progress and preparatory work could begin in 2019.

There are around 28,300 parking spaces at Paris-Charles de Gaulle airport, 18,000 of which are in adjacent car parks (in direct contact with the terminals).

## Investment programme

Aéroports de Paris is constantly improving the quality of its aviation infrastructure. In addition, Aéroports de Paris has launched an ambitious investment programme in order to guarantee the quality of its aviation infrastructure, and to increase the handling capacity of its terminals. The main investments at Paris-Charles de Gaulle airport in 2016 are described in Chapter 5<sup>1</sup>.

The 2016-2020 projected investment programme for the regulated scope is outlined in Chapter 5<sup>2</sup>. It includes:

- ◆ refurbishing terminals 2B and 2D and building a link between the two terminals, creating extra needed floor area in 2B and pooling passenger

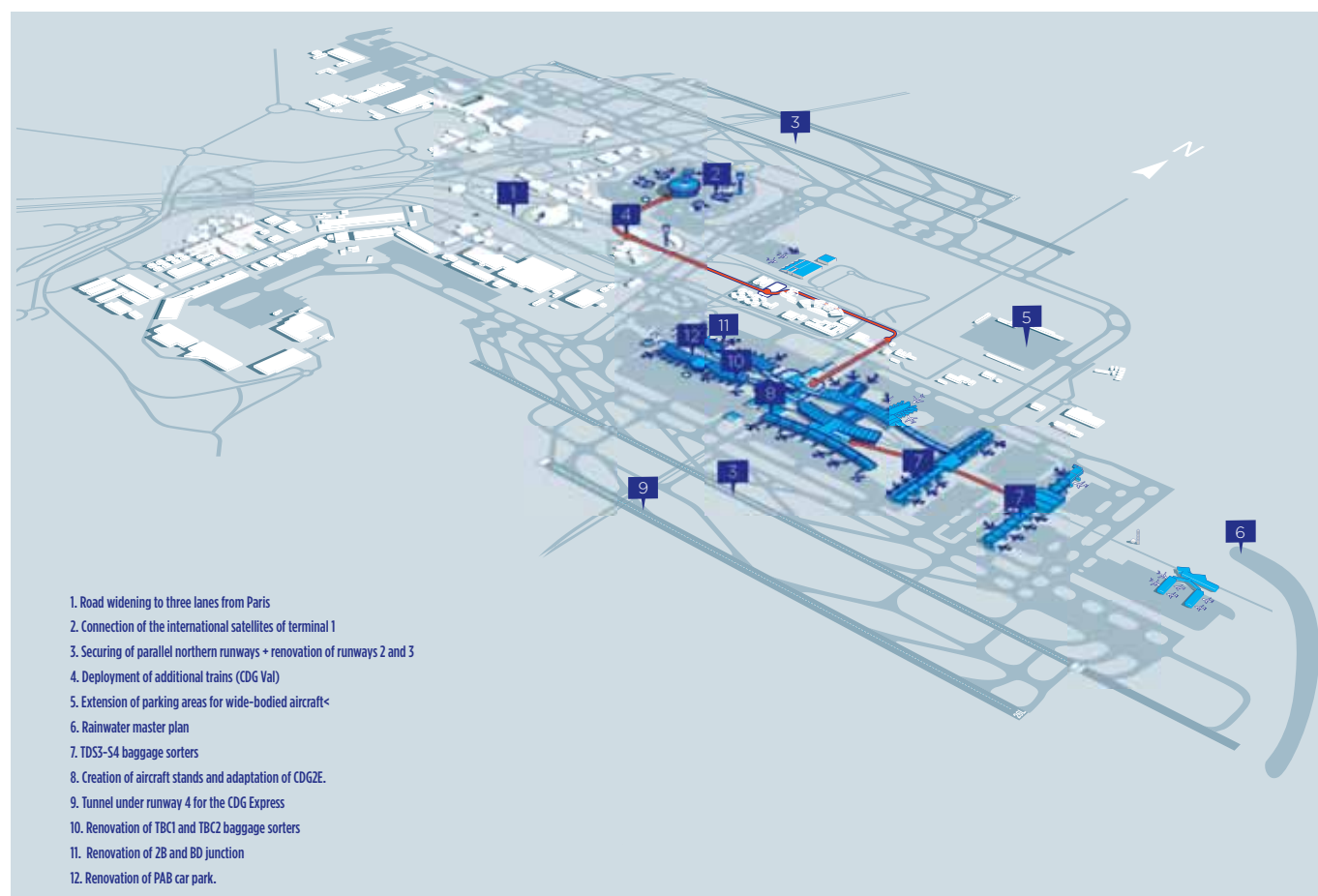
processes (single-security checkpoints, baggage delivery). This project will adapt the 2BD complex to the expected increase in international medium- and long-haul traffic by increasing capacity;

- ◆ the linking of international satellites in terminal 1, also aimed at sharing the security check and screening functions and boarding lounges, and at increasing the retail and service spaces so that an offering can be introduced that is tailored to international customers.

In addition, there are plans to devote significant resources to the functional robustness of the Paris-Charles de Gaulle airport, and to targeted operations for customer satisfaction and sustainable development.

In addition to infrastructure projects, it is the entire policy of optimising assignments of airlines to Paris-Charles de Gaulle that has allowed the airport to respond to the needs of different types of traffic (point-to-point passenger traffic, connecting passenger traffic, development of freight activity benefiting from medium- and long-haul traffic to and from Paris-Charles de Gaulle).

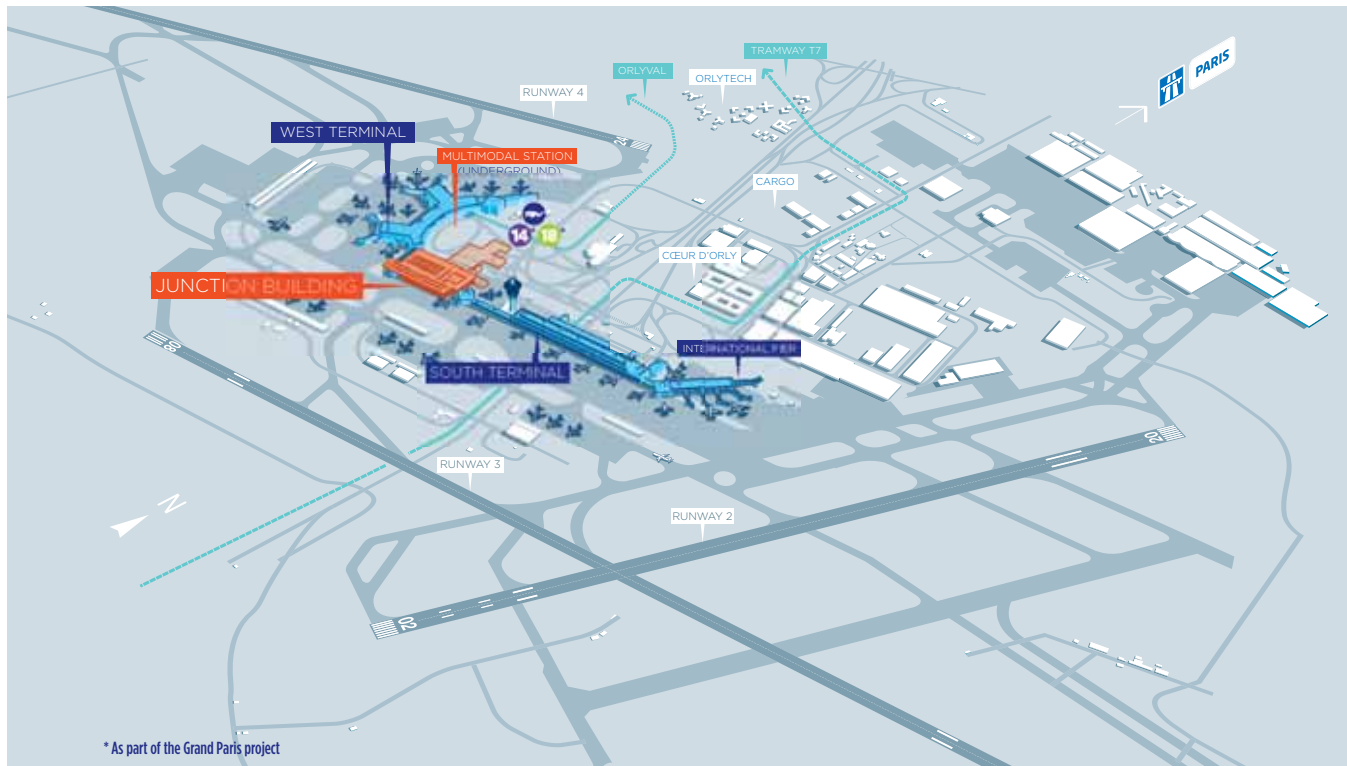
The main projected projects included in the proposed 2016-2020 investment programme for the regulated scope are presented in the map below:



<sup>1</sup> For more information, please refer to the paragraph in Chapter 5 on "Investments made by the group over the last three financial years".

<sup>2</sup> For more information, please refer to the paragraph in Chapter 5 on "Projected investment programme of the Paris-Charles de Gaulle platform".

## Paris-Orly



© Aéroports de Paris.

### General description

Paris-Orly is built on a 1,540 hectare site to the south of Paris. Its location 10 km from Paris and its immediate proximity to the A86, A6 and A10 motorways enable fast access to the capital's centre and the La Défense business district.

The airport provides nearly 30,000 direct jobs<sup>1</sup> and is an integral part of an economic zone with over 170,000 employees, comprising Rungis (a market of national importance), Sogaris (a semi-public limited liability company operating the Rungis bus station), and the Belle-Épine shopping centre.

Paris-Orly airport also provides air travel services to a major economic hub hosting many centres of excellence, including in the agri-food, healthcare, finance, aeronautical and eco-business sectors, as well as international competitiveness and research clusters such as Cap digitale, Medicen, Systematic Paris Region, Astech and the Plateau de Saclay.

Paris-Orly airport, which served 153 cities<sup>2</sup> in 2016, offers a wide range of direct, diversified and constantly expanding medium- and long-haul flights, contributing to the appeal and international reach of the southern Ile de France region.

The upgrading of the terminal infrastructure and airport services, combined with the economic and tourist appeal of the southern Île-de-France region, are strengths that are likely to attract new direct air travel services that complement the services offered by Paris-Charles de Gaulle, particularly to the world's main high-growth potential markets (Asia, Africa and the Americas).

The airport has two passenger terminals that can accommodate up to 29 million passengers per year. Paris-Orly is the 2<sup>nd</sup> largest airport in France and the 12<sup>th</sup> largest in Europe, with 31.3 million passengers in 2016, up 5.3% compared to 2015.

Paris-Orly has many strengths that help it to cater for the needs of airlines and passengers. Given its location less than 15 minutes from Paris and its access to dense road networks and public transport links (including the RER B and C, Orlyval, OrlyBus, the Tramway, which offers access to the metro, Cars Air France (coaches) and the Massy TGV train station link). Paris-Orly is particularly attractive for passengers due to its easy access, range of destinations, human scale and proximity to Paris. For airlines, Paris-Orly's main operational strengths are an average taxiing time of less than 6 minutes, runways that are close to the terminals and a very smooth approach. In addition, simple operations and a large number of contact stands result in very regular use by all types of aircraft and more efficient operating performances, which generate profitability and growth.

In 2016, the work on the renovation of Paris-Orly airport was continued. New phases in the "Paris-Orly, a new departure" project were completed in 2016, with the start-up in March of the East pier in the South terminal (around 12,000 sq.m.). This international boarding lounge provides passengers and airlines with more space and resources in line with operational needs given the projected growth in passenger numbers and international traffic. The construction of the building at the junction of the West and South terminals continued during all of 2016. Its gradual commissioning is planned as follows:

<sup>1</sup> 2014 data.

<sup>2</sup> With a minimum of 12 movements during the year.

- ◇ March 2018 (part of the future boarding lounge);
- ◇ March 2019 (all of the new structure);
- ◇ completion in 2020 with the renovation of the adjoining areas of the South and West terminals.

Work on the new VIP pavilion started in 2016 and will be completed in March 2017. The airport also offers significant opportunities for real-estate development, the majority of which is diversification real estate.

## A suitable infrastructure

### Runways

There are three runways at Paris-Orly with a scheduling capacity of 72 aircraft movements per hour. Runway 1 is suitable for wide-bodied aircraft and can accommodate diverted A380s. In 2016, there were 234,453 aircraft movements at Paris-Orly airport. The airport has 80 aircraft parking stands, 59% of which are contact stands. The 2016 use of contact stands for departure was around 87%.

### Nominal capacities of Paris-Orly terminals

At the end of 2016, the nominal capacity of the terminals was 29 million passengers. The East Pier extending the South Terminal of Paris-Orly opened for international traffic in April 2016, providing an additional capacity of nearly two million passengers. The continuation of the "Paris-Orly, a new departure project" includes the construction of a connecting building between the existing West and South terminals which will enable greater flexibility in both international and Schengen passenger handling. It is expected that together, all of these works will increase the annual capacity of Paris-Orly airport to 32.5 million passengers by the summer of 2019.

<i>(in millions of passengers/year)</i>	Since 2016	In 2006
South Terminal	12.5	10.5
West Terminal	16.5	16.5
<b>TOTAL</b>	<b>29.0</b>	<b>27.0</b>

## Regulatory constraints

Traffic at Paris-Orly airport is subject to two regulatory constraints. An Order of the Ministry of Infrastructure, Transport and Tourism of 6 October 1994 limits the Paris-Orly airport to 250,000 aircraft movements (take off/landing) per year. In 2016, the number of aircraft movements was 234,453, up 1.4% compared with 2015. Moreover, since 1968 there has been a night-time curfew on the airport between 11.30pm and 6.00am.

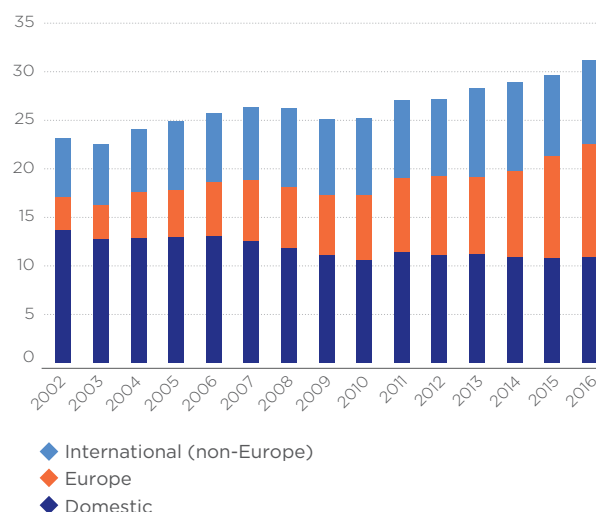
## Traffic

Paris-Orly airport's traffic is mainly origin/destination traffic. In 2016, however, connecting passengers accounted for about 7.0% of departing traffic, i.e. more than 1.1 million passengers. Over the last seven years, passenger traffic at Paris-Orly has been steadily growing, with record passenger traffic levels since 2013. There has also been a change in structure, with strong growth in European traffic offset by a fall in domestic traffic, particularly because of the cap of 250,000 landing and take-off slots attributable each year, as well as the impact of the TGV high-speed train on domestic flights. This change has been accompanied by an increase of nearly 16.7% in the number of passengers per aircraft since

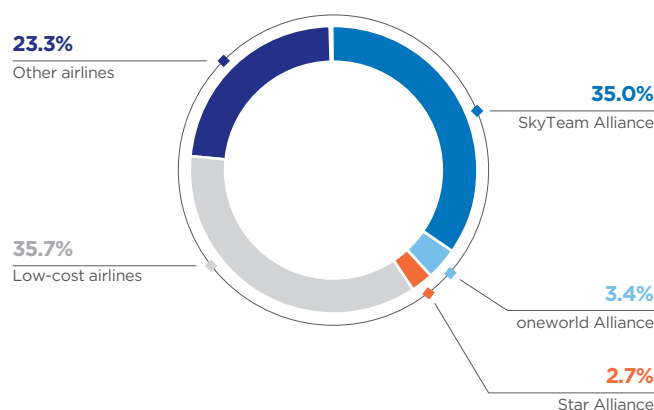
2009, with an average of 133 passengers in 2016, versus 114 passengers in 2009. During this period, the size of the modules used at the airport has constantly increased.

## Growth in passenger traffic on the Paris-Orly platform

(in millions of passengers)



## Passenger traffic by type of airline at Paris-Orly in 2016



The main airlines operating out of Paris-Orly are Air France<sup>1</sup> (33.9% of traffic), Transavia.com (13.7%), easyJet (10.1%), Vueling (8.1%) and Corsair (3.8%).

## Access to the airport

The Paris-Orly airport is located at the junction of the A6 and A10 motorways. It is also served by an RER commuter railway line that links with Orlyval, a dedicated automated metro line.

<sup>1</sup> Air France-KLM, Hop!

Line 7 of the tramway was commissioned on 16 November 2013 and directly connects the airport and the future “Cœur d’Orly” business district<sup>1</sup> to line 7 of the Paris metro. Phase 2 of the project (extension to Juvisy) is currently being studied.

Several other projects are currently in progress or being studied to improve the airport’s services. The “New Grand Paris” project provides that Paris-Orly will be served by two new metro lines by 2024: the extension of line 14 - linking Paris-Orly to Gare de Lyon in 23 minutes, then to Saint-Denis Pleyel with an automatic metro and line 18 - linking Paris-Orly to the Plateau de Saclay and Versailles, then Nanterre. The airport will then be 30 minutes from Versailles.

The public inquiries for lines 14 and 18 were held in mid-2015 and in March-April 2016, respectively. The projects received a favourable opinion and preliminary works could start in 2018.

As part of the South interconnection project for high-speed lines, a TGV high-speed train station could also be built by 2030, opening up access to the vast French and European high-speed train network.

There are around 18,080 parking spaces at Paris-Orly, 10,600 of which are car parks located close by and directly linked to the terminals.

## Investment programme

The investments made at the Paris-Orly airport in 2016 are described in Chapter 5<sup>2</sup>. They include, notably, the commissioning of the international extension of the East Pier of the South Terminal, the first phase of the upgrading of runway 4 and the continuation of the works to connect the South and West terminals.

The 2016-2020 projected investment programme for the regulated scope is outlined in Chapter 5<sup>3</sup>. It includes:

- ◆ completion of the “Paris-Orly Nouvel Envol” project, which began during the 2011-2015 ERA;
- ◆ renovation of runways 3 and 4.

In addition, Orly airport dedicates significant resources to maintaining its assets and the robustness of its infrastructure and to customer satisfaction and sustainable development operations.

The main projects included in the planned 2016-2020 investment programme are shown in the map below:



<sup>1</sup> See the section on “Real estate activities” in this Chapter.

<sup>2</sup> For more information, please refer to the paragraph in Chapter 5 on “Investments made by the group over the last three financial years”.

<sup>3</sup> For more information, please refer to the paragraph in Chapter 5 on “Investment program proposed as part of the negotiations of the 2016-2020 Economic Regulation Agreement”.

## Paris-Le Bourget



06

© Aéroports de Paris/Laboratoire.

### Description of the airport

Located 7 kilometers north of Paris on a site covering 553 hectares, Paris-Le Bourget airport is the largest business airport in Europe. It has three runways and aircraft parking areas that enable it to handle all types of aircraft, up to the Airbus A380. Paris-Le Bourget is also an important aeronautics industry centre: around 30 buildings host nearly 100 aircraft maintenance, equipment and upgrade companies and aeronautical services companies. The 70 companies on the site host more than 3,500 direct jobs in operations, maintenance, services, and even culture, with the Museum of Air and Space and the Gagosian Art Gallery, which opened in October 2012. In 2016, the number of aircraft movements totalled 52,935, a decrease of 1.1% compared with 2015.

The airport has been involved in a massive modernisation and growth plan since 2003. In 2016, the development programme continued with:

- ◆ renovation work on the hangars freed-up by Air France Industries based on a zero-carbon approach which received the “2016 Environmental Approach” award at the “Salon international du patrimoine culturel”,
- ◆ the completion of 20,000 sq.m. of aircraft parking areas, and
- ◆ the filing for the conversion of the aviation safety certificate under European law, backed by a programme of works on the airport's infrastructure.

Many projects continued to be implemented: the VIP terminal, Keybrid, Flight Safety. At the end of 2016, Groupe ADP also entered into a partnership with a company specialised in logistics for works of art.

2016 saw the commissioning of an electric passenger shuttle, a project which brought together companies located at the airport and in Drancy. The shuttle provides service to and from the RER station at Le Bourget. The deployment of its own transportation system completes the works

executed to date in terms of complying with environmental requirements (the geothermal network is in its first year of operation and the photovoltaic shelters have been connected to the electric shuttle's charger).

Finally, Paris-Le Bourget airport is a major arm of the group's real estate business and a significant share of the real estate revenues of Paris-Le Bourget airport is closely linked to business aviation.

### Regulatory constraints

To cut down on aircraft noise pollution for local communities, jet aircraft take-offs, the use of reverse thrust systems and the use of runway 2 by aircraft exceeding 5.7 tonnes are prohibited between 10.15pm and 6.00am.

### The business aviation market

Business aviation is a professional tool used by companies as well as individuals in three complementary forms:

- ◆ commercial business aviation: independent transport companies provide on-demand “air-taxi” service, supplying aircraft and crew for the duration of the flight. The cost of the flight depends on the type of aircraft and the amount of flight time;
- ◆ time-share aviation: a company buys a share in an executive jet, corresponding to a certain amount of annual flight time;
- ◆ corporate aviation: a company owns its own fleet of aircraft and employs its own crews for its own exclusive needs.

Paris-Le Bourget airport offers several advantages for business travellers:

- ◆ fast boarding and deplaning, thanks to the optimisation of transfer procedures between aircraft and ground transportation;

- ◆ the quality of its aviation facilities;
- ◆ its proximity to Paris;
- ◆ the presence of the world's leading global corporate aviation service operators, guaranteeing travel service quality, discretion and confidentiality;
- ◆ the presence on site of the European maintenance centres of three of the five main international business aircraft manufacturers;
- ◆ the possibility of landing at the airport at all hours, within certain limits, and of reaching destinations not served by traditional commercial airlines;
- ◆ the quality of the ground services and the possibility of holding meetings at the airport itself.

## Competition

In 2016, Paris-Le Bourget confirmed its position as Europe's leading business aviation company in Europe. Its main competitors are Geneva, Nice, Zurich, London Luton and Farnborough. In 2016, Paris-Le Bourget confirmed its position as Europe's leading business aviation company in Europe. Its main competitors are Nice, Geneva, Zurich, London Luton and Farnborough. Nice and Farnborough experienced higher growth than Paris-Le Bourget while Geneva and Luton saw a fall in traffic greater than that of Paris-Le Bourget (source: Eurocontrol). The Paris-Le Bourget airport has drawn the main business aviation market players which include companies and support companies such as Signature Flight Support, which absorbed Landmark in 2016, Jetex, Universal Aviation, Advanced Air Support and Dassault Falcon Services and saw major manufacturers such as Dassault Falcon, Cessna and Embraer to install their main European facilities at Le Bourget. Embraer has also decided to locate its European centre for business aircraft maintenance on the western side of the airport. Works on the Airbus Hélicoptères factory (manufacturing of helicopter blades) were completed in 2016. Other companies continue to request land on which to develop or set up their operations and are submitting projects for the coming years. All of the activities are part of the announced development connected with the "Métropole du Grand Paris" project, and particularly the future building of the Grand Paris Express "Le Bourget Aéroport" train station planned for 2023.

## Paris-Le Bourget metropolitan department

Le Bourget is one of the eight cities included in the new Etablissement Public Territorial "*Paris Terres d'Envol*", a component of the *Métropole du Grand Paris* created in early 2016. In keeping with this, one of the stations on the automatic metro line will be at the entrance to the airport. Local municipalities are fully involved with the airport in the preliminary works launched by the Société du Grand Paris. The studies take into account the main aspects of the development of the South zone of the airport. Paris' application to host the 2024 Olympic Games and the deployment of certain of its installations in the airport environment provide an opportunity which is included in the development studies.

Groupe ADP is working on redefining the development plan for the southern part of the airport and the development of the airport maintenance group. It is also involved in the creation of hangars and aircraft parking areas in the central zone.

## Civil airfields for general aviation

Groupe ADP owns and manages ten civilian general aviation airfields in the Île-de-France region:

- ◆ Meaux-Esbly, covering 103 hectares;
- ◆ Pontoise-Cormeilles-en-Vexin, covering 237 hectares. In 2016, the airfield hosted the 10<sup>th</sup> edition of the "France Air Expo-Paris" general aviation show co-organised with Groupe ADP;
- ◆ Toussus-le-Noble, covering 167 hectares;
- ◆ Chavenay-Villepreux, covering 48 hectares;
- ◆ Chelles-le-Pin, covering 31 hectares;
- ◆ Coulommiers-Voisins, covering 300 hectares;
- ◆ Étampes-Mondésir, covering 113 hectares;
- ◆ Lognes-Émerainville, covering 87 hectares;
- ◆ Persan-Beaumont, covering 139 hectares; and
- ◆ Saint-Cyr-l'École, covering 75 hectares.

In addition, Groupe ADP manages the Issy-les-Moulineaux heliport.

## 6.4 DESCRIPTION OF ACTIVITIES

### Aviation

Aviation activities comprise all of the activities carried out by Groupe ADP as the operator of the three main airports in the Paris region (see Chapter 6 paragraph "Description of airports").

<i>(in millions of euros)</i>	2016	2015 restated	2016/2015
Revenue	1,743	1,735	+0.5%
<i>Airport fees</i>	1,003	998	+0.5%
<i>Ancillary fees</i>	220	208	+5.8%
<i>Revenue from airport safety and security services</i>	480	486	-1.4%
<i>Other income</i>	40	42	-5.0%
EBITDA	488	469	+4.1%
Operating income from ordinary activities	186	181	+3.0%

### Determination of the regulated scope

The Decree of 16 September 2005 relating to fees for services provided at airfields as amended by the Decree of 17 December 2009 with effect from 1 January 2011 defines the regulated scope for which fair compensation of the capital invested by the operator is assessed with respect to the weighted average cost of capital, i.e. the Return On Capital Employed (RCE or ROCE), calculated as the operating income of the regulatory scope less the standard corporate tax relating to the regulated asset basis (net accounting value of tangible and intangible assets relating to the regulatory scope, plus the working capital requirement for this scope).

As at 31 December 2015, the ROCE of the regulated scope was 3.8%. Regulated operating income<sup>1</sup> for 2015 was €309 million, €192 million after taxes (38% tax rate used in 2015) and the regulated asset base at 31 December 2015 was €5,090 million<sup>2</sup>. Figures for 2016 will be available in the first half-year of 2017.

Since 1 January 2011, this scope of activity and services, called the "regulated scope", includes all of the activities of Aéroports de Paris within the airports in the Île-de-France region, with the exception of:

- ◆ activities financed by the airport security tax, i.e. mainly security services, prevention of animal hazards, and aircraft rescue and fire-fighting services (SSLIA)<sup>3</sup>;
- ◆ retail activities and services;
- ◆ land and real estate activities not directly related to aviation activities or "real estate diversification" activities;
- ◆ management by Aéroports de Paris of noise reduction projects for local residents<sup>4</sup>;
- ◆ ground-handling service activities falling within the competitive field<sup>5</sup>;
- ◆ other activities engaged in by subsidiaries.

### Profitability of the regulated scope *(in millions of euros)*

	2015	2014
Regulated operating profit	309	262
Regulated assets base	5,090	5,130
<b>Regulated ROCE after taxes</b>	<b>3.8%</b>	<b>3.2%</b>

06

### Fees

Aéroports de Paris is bound by specifications that set out its obligations as a public service provider and the Government authority's control procedures for ensuring compliance with the same. It is also governed, with respect to fees, by the provisions of the law of 20 April 2005 and the Decree of 20 July 2005 relating to fees for services provided within airports.

### Airport fees

Airport fees are made up of the passenger fee, landing fee and parking fee, for which the pricing is regulated by the Economic Regulation Agreement (ERA):

- ◆ the passenger fee is based on the number of passengers boarded. They are due for all departing flights other than for passengers in direct transit (leaving on the same aeroplane with the same flight number), crew members working on the flight and children under two years of age. The fee varies according to the flight destination. A 40% reduction on the basic rate is applied to connecting passengers. Revenue from passenger fees stood at €619 million in 2016 compared with €651 million in 2015;
- ◆ the landing fee is charged for the use of the airport infrastructure and equipment required for landing, take-off and aircraft movements on the ground by of more than 6 tonnes (which includes nearly all commercial aircraft). They are calculated according to the certified

<sup>1</sup> GOS - other current income and expenses - depreciation and amortisation of fixed assets and transfers to operating provisions - losses on asset disposals - employee profit-sharing The reconciliation with the statutory accounts is presented in Appendix A8 of the 2016-2020 Economic Regulation Agreement available at [www.groupeadp.fr](http://www.groupeadp.fr), in the Finances/Regulation section.

<sup>2</sup> 2016 data will be available in the 1<sup>st</sup> half of 2017.

<sup>3</sup> See also Chapter 6 entitled "Security".

<sup>4</sup> See also Chapter 17 entitled "Environmental information".

<sup>5</sup> See Chapter 6 entitled "Ground-handling activities".

maximum take-off weight of the aircraft and adjusted according to the aircraft's noise-rating classification and the nocturnal or daytime landing timetable. Revenue from landing fees rose to €233 million in 2016 compared to €211 million in 2015;

- ♦ parking fees are based on how long the aircraft is parked, the certified maximum take-off weight of the aircraft and the features of the parking area: (area abutting a terminal, parking apron or garage area). It is collected for aircraft weighing more than 6 tonnes. Revenue from parking fees amounted to €151 million in 2016 compared with €136 million in 2015.

The landing fee, parking fee and passenger fee are presented as revenue in the consolidated financial statements under the item "airport fees". Airport fees for 2016 stood at €1,003 million (€998 million in 2015), accounting for 34.0% of the Groupe ADP's revenue<sup>2</sup>.

## Ancillary fees

The main ancillary fees, the pricing of which is governed by the Economic Regulation Agreement (ERA), include the fee for the provision of check-in counters and local baggage handling facilities, the fee for the provision of connecting baggage sorting facilities, the fee for the provision of de-icing infrastructure, the fee for the provision of fixed electrical power infrastructure for aircraft, and the computerised check-in and boarding fee (Crews system):

- ♦ the fee for providing check-in counters, boarding facilities, and local baggage handling facilities comprises a fixed portion, based on the number of counters used, and a variable portion based on the number of non-connecting passengers checked in, and which varies according to the type of destination. Income from this fee amounted to €83 million in 2016;
- ♦ the fee for providing connecting baggage sorting facilities is based on the number of connecting passengers. The fee, which was created on 1 April 2016, replaces the fees charged in terminal 1 and terminal 2 and the leases for sorting facilities for baggage in transit at Paris-Charles de Gaulle. Income from this fee amounted to €43 million in 2016;
- ♦ the fee for providing aircraft de-icing infrastructure varies according to the size of the aircraft and is made up of a fixed portion based on the number of landings made over the season in question, and a variable portion based on the number of de-icing operations. This fee is charged at Paris-Charles de Gaulle airport, where the service is provided by Aéroports de Paris, but not at Paris-Orly airport, where the activity is provided by air carriers via their ground-handling services, as applicable. Income from this fee amounted to €19 million in 2016;
- ♦ the fee for provision of electrical power infrastructures of 400 Hz for aircraft is based on the electrical power supply to the parking stand (400 Hz or 50 Hz), the aircraft's origin or destination (EU or non-EU), and its energy requirement category, notably in terms of its carrier's technical equipment (number of sockets);
- ♦ the computerised check-in and boarding fee (Crews system) is based on the number of passengers departing from equipped terminals or parts of terminals, differentiating between non-connecting passengers and connecting passengers.

Only the fees for assisting disabled and mobility-impaired persons are uncapped. They amounted to €55 million in 2016.

All of these fees, regardless of whether they are capped by the ERA, are presented as revenue in the consolidated financial statements under the item "ancillary fees". The fees amounted to €220 million in 2016 (€208 million in 2015), which represents 7.5% of the Groupe ADP's revenue<sup>2</sup>.

## 2016-2020 Economic Regulation Agreement

The ERA covering the five-year 2016-2020 period was signed by the State and Aéroports de Paris on 31 August 2015. The document is available at [www.groupeadp.fr](http://www.groupeadp.fr). The ERA applies to tariffs from 1 April 2016.

The 2016-2020 ERA is in line with the regulatory framework defined by the Decree of 16 September 2005 relating to fees for services provided at airports as amended by the Decree dated 17 December 2009.

The 2016-2020 ERA is balanced and is based on burden-sharing among all stakeholders. It is based on the following approaches:

- ♦ consolidation of fundamentals: Aéroports de Paris intends to take advantage of its assets and has made consolidating its fundamentals a key priority for the 2016-2020 Economic Regulation Agreement. This involves focusing heavily on maintenance and regulatory compliance, optimising its infrastructures and rolling out quality standards;
- ♦ a winning position: to increase its capacity to capture global growth, Aéroports de Paris must continually improve its services and the competitiveness of its Parisian airports for the benefit of its customers, partners and regions. To meet this challenge, Aéroports de Paris will mobilise all the leverage at its disposal: overhaul of the tariff policy associated with the implementation of incentive measures;
- ♦ increased competitiveness: the ERA provides for the implementation of a major investment plan focusing primarily on cost control, with the aim of improving the competitiveness of the Parisian airports in terms of costs and pricing.

## Setting of fee levels

### Procedure for the annual setting of rates

Aéroports de Paris consults the Economic Advisory Committee for Paris-Charles de Gaulle and Paris-Orly airports, on the one hand, and for Paris-Le Bourget airport, on the other, at least four months before the beginning of each pricing period. Made up of representatives from aviation users, professional air transport organisations and Aéroports de Paris, the Economic Advisory Committee's primary mission is to provide an opinion on proposals for changes to airport fee rates and on investment programmes. Aéroports de Paris must then notify the fee rates and, if applicable, any discounts on them, to the independent supervisory authority for the Paris-Charles de Gaulle and Paris-Orly airports and to the minister responsible for Civil Aviation for the Paris-Le Bourget airport and the French Competition, Consumer Affairs and Consumer Protection Authority, at least two months before the start of each fee period. Finally, the tariffs enter into force one month from their publication unless this

<sup>1</sup> See Chapter 9.

<sup>2</sup> Before intersegment eliminations.

is opposed by the independent supervisory body (to which the French authority for competition, consumer affairs and consumer protection submits a reasoned opinion), in the event of a breach of the general rules applicable to the fees or the stipulations of the agreement, within one month following the receipt of the notification.

The ERA provides for certain mechanisms that allow the following to be taken into account during the course of implementation of the contract period: the creation of new fees, transfers between fee categories, the creation of new services or the inclusion of new costs that were not foreseen at the time the contract was signed.

## Changes in fee levels

### DETERMINATION OF THE PRICING SCHEDULES APPLICABLE UNDER THE TERMS OF THE 2016-2020 ERA

The 2016-2020 ERA covers five pricing periods, the first from 1 April 2016 to 31 March 2017 and the remaining four starting on 1 April and ending on 31 March of the following year.

Pursuant to the 2016-2020 Economic Regulation Agreement, changes in fee levels (n) are limited from one year to the next, within a comparable scope, by a "basic cap rate", compliance with which is assessed in line with the theoretical revenue corresponding to the application of a pricing schedule (n-1) to a baseline traffic level (n-2).

For each pricing period n, the basic cap rate for increases in fees is equal to:

Pricing period:	P(n):
◇ "2016"	i(2016) +0.00%
◇ "2017"	i(2017) +1.25%
◇ "2018"	i(2018) +1.25%
◇ "2019"	i(2019) +1.25%
◇ "2020"	i(2020) +1.25%

where i(n) represents the percentage change in the consumer price index, excluding tobacco, published by the INSEE (IPC 4018 E), calculated as the comparison between the index for August "n-1" and August "n-2".

For the determination of prices for the year n, this cap is then applied, within a comparable scope of provision, to the prices n and to the traffic (and baseline volume) for the year n-2, thus arriving at a Baseline Pricing Schedule.

The ERA also provides for an adjustment to this Baseline Pricing Schedule, the Adjusted Pricing Schedule for Fees (GTA), taking into account several factors relating to traffic (TRAF), quality of service (QDS), the major investment schedule (INV1), and levels of current investment, competitiveness of the connecting platform and airport processes, quality of service and sustainable development (INV2) and changes in operating expenses (OPEX). These factors are applied as follows:

#### The TRAF factor is the corrective factor linked to traffic

The baseline traffic scenario is the one proposed by Aéroports de Paris at the signing of the 2016-2020 ERA. It is based on the assumption of average passenger traffic growth of 2.5% per year over the 2016-2020 period. The traffic risk is shared between Aéroports de Paris and airlines on the basis of a corrective factor (TRAF). This risk, which is assessed on the basis of the number of passengers, and applies beyond a buffer zone that amounts to annual changes that are 0.5 point higher or lower than the baseline traffic scenario, enters into force for the 2018 pricing period. It is calculated in such a way that, outside the buffer zone, 50% of the excess or 20% of the shortfall from forecast fee revenues is offset, within the limit of an impact of between +0.2 and -0.5 points on the annual fee increase cap, through adjusting the tariffs for these fees.

In addition, if air traffic rises more than 102% to the upper buffer limit, Aéroports de Paris can use some of the excess revenue beyond this threshold as a contribution towards investments in capacity or in terminal renovations that were not originally scheduled, or towards bringing such projects forward. On the other hand, if the increase in air traffic is less than 98% of the lower buffer limit, Aéroports de Paris can offset some of the shortfall in airport fee revenues below this threshold through a reduction in annual costs due to the non-completion or postponement of certain investments.

#### The QDS factor is the adjustment factor linked to service quality

For the period 2016-2020, Aéroports de Paris is continuing its drive to improve quality of the service by consolidating successes achieved over the last five years and by continually improving processes and facilities. Two categories of indicators with financial implications have been set up:

- ◇ "quality standard" indicators corresponding to standard services provided by all airports to airline customers and passengers. The incentive system associated with these indicators is based solely on the concept of minimum level required, penalised where appropriate by a maximum price penalty of -0.04% per indicator. Seven "quality standard" indicators have been retained, five of which are availability indicators and two satisfaction indicators:
  - ◆ availability of electro-mechanical equipment,
  - ◆ availability of baggage belts,
  - ◆ availability of aircraft parking stands,
  - ◆ availability of passenger boarding bridges,
  - ◆ availability of 400 Hz,
  - ◆ satisfaction as regards cleanliness,
  - ◆ satisfaction as regards directional information;
- ◇ "excellence" indicators for which significant improvement is expected and/or for which the level aimed for is a level of excellence compared to other European airports. The incentive system associated with these indicators is based on the concept of minimum level required with penalties where appropriate and a concept of high level of ambition rewarded by a bonus. The extent of these penalties and bonuses is +/-0.08% per indicator. Three excellence indicators have been retained:
  - ◆ satisfaction as regards connecting flights,
  - ◆ overall satisfaction upon departure,
  - ◆ overall satisfaction upon arrival.

The financial incentive associated with all these indicators is based on a system of penalties and bonuses of about +0.24%/-0.52% of airport fees per year.

#### The INV1 factor is the adjustment factor linked to the major investment schedule

This indicator, which can give rise to a maximum net penalty of 0.1% of fees, measures compliance with the timetable for carrying out major operations. The targets for the indicator "Conducting of Investment Operations" (ROI) correspond to the following completion dates:

2016-2020 ERA targets:

- ◇ extension of the Paris-Orly East Pier: 2<sup>nd</sup> quarter 2016;
- ◇ refurbishment of runway 4 at Paris-Orly: 4<sup>th</sup> quarter 2016;
- ◇ "Paris-Orly, New Departure" link: 1<sup>st</sup> quarter 2018;
- ◇ luggage sorters in Hall L (TDS3) Paris-Charles de Gaulle: 2<sup>nd</sup> quarter 2018;

- ◇ first phase of the refurbishment of runway 3 at Paris-Orly: 3<sup>rd</sup> quarter 2018;
- ◇ connecting of terminals B and D at Paris-Charles de Gaulle: 2<sup>nd</sup> quarter 2019;
- ◇ connecting of the Terminal 1 satellites at Paris-Charles de Gaulle: 2<sup>nd</sup> quarter 2019.

The results of this indicator lead to the application of the pricing cap adjustment factor, called INV1(n). It is based on a system of bonuses and penalties, according to which the operations concerned are completed before or after the reference calendar. These bonuses and penalties are reconciled every year (n), and only one possible net penalty is taken into account when calculating the INV1 factor. The maximum net penalties applicable annually are -0.1% of airport fees, assuming a delay of two quarters in the timetable for carrying out each operation identified above.

**The INV2 factor is the adjustment factor linked to current investment expenditure, competitiveness of the connecting platform and airport processes, service quality and sustainable development**

As was already the case within the ERA 2011-2015 framework, an adjustment would lead to a reduction in the tariff cap to offset a portion of the annual costs saved, in the event that fewer investments are made than initially forecast. This INV2 adjustment factor was applicable, where appropriate, to the 2020 pricing period, taking into account a potential reduction in the investment expenditure within the regulated scope in respect of current investment budgets, competitiveness of the connecting platform and airport processes, quality of service and sustainable development. This possible reduction is measured cumulatively over the 2016 to 2018 calendar years inclusive. If investment expenditure relating to the regulated scope in respect of these packages is less than 85% of the amount initially planned at the end of 2018, 70% of the difference in costs incurred with regard to the regulated scope and over the term of the agreement would be deducted from the cap on changes to fee levels for the 2020 pricing period.

**The OPEX factor is the adjustment factor linked to service quality**

Given the importance of controlling operating expenses regulated in the balance of the agreement and to mark the commitment of Aéroports de Paris, a new adjustment factor has been set up based on the volume of operating expenses in the regulated scope. If over 5% of operating expenses in the regulated scope are exceeded in 2018 compared to a provisional target based on traffic and inflation, the pricing cap will be reduced by 50% of the difference with costs recorded being applied up to a limit of 1% of annual airport fee income over the 2020 pricing period.

**CHANGES TO FEE TARIFFS UNDER THE 2016-2020 ERA**

**For the 2016 pricing period<sup>1</sup>**

The cap on average changes in fee levels for the 2016 pricing period was set at the sole change in inflation (CPI 4018E) measured between August 2014 and August 2015. Inflation was measured at +0.04%, thus determining the cap for changes in the Baseline Pricing Schedule.

Aéroports de Paris submitted an average annual fee change of 0.0% for Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports for an opinion from the Consultative Economic Commissions and for the approval of the French government.

For the 2016 pricing period, Aéroports de Paris retained a non-uniform increase for Paris-Charles de Gaulle and Paris-Orly airports with 11.8%

and 15.5% increases in landing and parking fees respectively and a 7.0% reduction in passenger fees. A revaluation of the weighting of gauge and movement baselines for the landing fees has also been retained with the elimination of the 40-tonne threshold triggering the variable portion of the landing fees, the application of the variable portion as of the first tonne of gauge landed and a differentiated change in the fixed portion and of the variable portion of this fee of 49.5% and 38.9% respectively.

With effect from 1 April 2016, Aéroports de Paris has also set up a new fee to standardise the pricing terms for sorting baggage in transit between Paris-Charles de Gaulle airport terminals. Alongside the new fee for the provision of sorting facilities for baggage in transit at Paris-Charles de Gaulle airport, the fees charged in terminal 1 and terminal 2 and the leases for sorting facilities for baggage in transit at Paris-Charles de Gaulle have been abolished and the scope of services provided to airlines has changed. The fee is based on the number of connecting passengers departing from Paris-Charles de Gaulle airport.

In addition, starting from the 2016 pricing period and for a time that should not exceed that of the 2016-2020 ERA, Aéroports de Paris has set up five temporary discounts to develop traffic and improve infrastructure use.

The three price discounts set out below do not include a set-off mechanism:

- ◇ a price discount on the fee per passenger to develop origin/destination passenger traffic;
- ◇ a price discount on the fee per passenger to develop connecting passenger traffic;
- ◇ a price discount on the parking fee to encourage rapid turnaround and improve infrastructure use.

For each discount, the overall rate for all airlines combined may not exceed a cap of €5.0 million in 2016). These maximum packages will change each year according to the average rate of change in airport fees governed by the 2016-2020 ERA.

Two additional price discounts, including an offset mechanism, have also been set up:

- ◇ a variable price discount on the parking fee for parking on the Paris-Charles de Gaulle and Paris-Orly platforms between 11:00 pm and 07:00 am (local time);
- ◇ a discount on the fees for disabled and mobility-impaired persons according to signalling rates, with airlines giving at least 36 hours' notice at Paris-Orly airport.

**For the 2017 pricing period<sup>2</sup>.**

The basic cap rate corresponds to a 1.479% increase in the baseline tariffs (change in inflation between August 2015 and August 2016) plus 1.25 points, to which the adjustment factors are applied:

- ◇ quality of service corresponding to a 0.16% bonus;
- ◇ investments (INV1) established at 0% linked to the opening of the East Pier in advance of the objective set out in the ERA.

The maximum change in 2017 tariffs is therefore +1.64% compared to the 2016 baseline tariffs, i.e. +1.68% compared with the 2016 effective tariffs.

<sup>1</sup> See also Chapter 9, "Highlights".

<sup>2</sup> See also Chapter 12 "Recent events".

In this context, Aéroports de Paris submitted the following average annual fee changes for ASI approval:

◇ +0.97% at Paris-Charles de Gaulle airports and Paris-Orly;

◇ +2.5% at Paris-Le Bourget airport.

These changes were approved on 22 February 2017.

The Aéroports de Paris' proposal for the Paris-Charles de Gaulle and Paris-Orly airports consists of a 1.51% increase in the airport and ancillary fees (excluding fees for disabled and reduced-mobility passengers) and a significant decrease in the fee relating to computerised check-in and boarding (Crews).

It also consists of the simplification of the fee for providing 400 Hz electrical energy supply infrastructure and the elimination of the criteria related to the origin/destination of the aircraft.

In addition, Aéroports de Paris renewed all pricing discounts as well as the calculation processes and the 2016 allocation conditions for the incentive measures for traffic growth and better infrastructure use. The 2017 cap on each of the three incentive measures was set at €5.05 million by applying a 0.97% indexation to the 2016 cap.

In addition, the discount on the assistance fee for disabled passengers and passengers with reduced mobility was implemented. It is decreased based on the reporting rate with a notice period of at least 36 hours for the airlines at the Paris-Charles de Gaulle airport.

## Revision or early termination of the contract

In the case of one of the following conditions being met, the Parties agree to examine the need for revising the contract in line with the procedures set out below.

**First condition:** relating to the measurement of traffic, assessed using the indicator QT(n), defined in the following manner:  $QT(n) = PAX (n-1)$

where: PAX (n-1) is the number of non-transit commercial passengers boarding or disembarking during the period between 1 September in year "n-2" and 31 August in year "n-1" at Paris-Charles de Gaulle and Paris-Orly airports.

An examination of the need to revise the contract would apply in the case of this indicator exceeding, for three consecutive years, the value QTMM(n) defined below, or remaining, for three consecutive years, on this side of the value QTmm(n):

N	2017	2018	2019	2020
QTMM(n)	98,420,000	102,876,000	107,215,000	111,856,000
QTmm(n)	94,837,000	95,336,000	95,548,000	95,858,000

**Second condition:** in the event that at the end of the calendar years subsequent to 2016, investment expenditure on the regulated scope, cumulative since 1 January 2016, does not reach 75% of the amount anticipated.

Subject to the application of these conditions, and at the request of one of the Parties, where it believes that the new situation represents a substantial change to the economic conditions of the contract, they will agree to seek an amicable agreement on the principle and procedure for revising the Economic Regulation Agreement. In the case of an amicable agreement, the Parties will revise the contract within a timeframe of two months, with this timeframe starting, if required, from the date of the Airport Consultative Committee opinion (as laid down by Article R. 224-4 of the French Civil Aviation Code).

If no amicable agreement is reached within a period of one month following the request by the applicant Party, the Minister in charge of Civil Aviation will contact the Airport Advisory Committee within two weeks with regard to the principle and procedure for revising the contract. If the Airport Consultative Committee is of the opinion that it is necessary to

revise the contract, the revision procedure will be implemented in line with this opinion and the Parties will revise the contract within a timeframe of two months, with this timeframe starting, if required, from the date of the Airport Consultative Committee opinion, as laid down by Article R. 224-4 of the French Civil Aviation Code.

In addition, at the request of one of the Parties, where it believes that there are exceptional and unforeseeable circumstances other than those mentioned above, and which represent a fundamental shift in the contract economics, the contract must be amended or terminated, they will agree to seek an amicable agreement on the need for amendment or an early termination of the contract. In the event of amicable agreement on amendment, the Parties will also determine the preparation procedure. If no amicable agreement is reached within a period of one month following the request by the applicant party, the Minister in charge of Civil Aviation will consult the Airport Advisory Committee within two weeks with regard to the principle and procedure for revision or an early end to the contract. If the Airport Consultative Committee is of the opinion that it is necessary to revise the contract or that it is advisable to bring it to an end, the Ministers in charge of Civil Aviation and the economy will order the contract to be revised or brought to an early end, in line with the procedures recommended by the committee.

In the event that this contract is terminated early, and unless the parties agree otherwise, the fee rates will remain in force until the end of the pricing period laid down by the contract.

## Security

### Description of security activities

Government authorities are responsible for organising airport security and can delegate its implementation to airport operators or other stakeholders.

Under the authority of the relevant prefect and under the supervision of Government authorities, Aéroports de Paris is required to put the following in place:

- ◇ a security check and screening system for 100% of passengers (passage through a gate containing a metal detector) and all cabin baggage and personal effects (examined by X-ray). Since 31 January 2014, the checking of liquids, aerosols and gels using explosive detection equipment suitable for these types of products. Since 1 September 2015, security checkpoints have new equipment also enabling explosive detection on both passengers and cabin baggage;
- ◇ a security check system for hold baggage that ensures security checks of 100% of hold baggage according to procedures defined by the Government authorities, which essentially consists of explosive-detecting apparatus, generally integrated into airport baggage handling facilities, possibly accompanied by specially trained dogs;
- ◇ security check measures for staff and vehicles at each access point to restricted security areas within airports, as well as access control measures, including biometrics in particular;
- ◇ security check and screening measures for supplies;
- ◇ security procedures for the use of facilities made available to the group's partners (check-in counters, boarding lounges, etc.);
- ◇ specific layouts inside and outside the terminals: physical separation of departing and arriving passenger flows, video-surveillance of security check-points and personnel access points, security partitions, secured emergency exits, and anti-return doors and hallways, etc.;
- ◇ patrolling procedures and monitoring of border security and controls in critical parts of restricted access security areas for airport identification cards and vehicle passes.

All of these measures must be described in a safety program established at each airport by Aéroports de Paris and submitted for information

purposes to the Civil Aviation services. For Paris-Le Bourget, the security programme was approved on 28 June 2012, for five years and the same for Paris-Orly, approved on 29 March 2013. Finally, the security programme for Paris-Charles de Gaulle was approved on 14 April 2014, with the agreement terminating on 29 March 2018, for subsequent alignment with that of Paris-Orly. Security approvals will be issued to security programs for a maximum period of five years by the competent prefecture. Approval was given for five years for Paris-Le Bourget since the approval of the security programme on 28 June 2012, and for Paris-Orly since 29 March 2013. Paris-Charles de Gaulle's security programme was approved on 14 April 2014 until 29 March 2018 to align the approval of its security programme with those of Paris-Orly.

The security programmes set out the tasks, locations, resources and procedures to be used, and are supplemented by training plans for the hiring and training of staff working in the security field and quality assurance programmes that describe in particular Aéroports de Paris' supervisory mechanisms for overseeing security service providers.

Around 300 people are employed by Aéroports de Paris to directly perform security duties, and nearly 4,700 people are employed by external service providers specialising in carrying out security checks and screening, including the subsidiary Hub Safe. These companies, with the exception of Hub Safe, which enters into private contracts as a subsidiary of Aéroports de Paris, are selected by Aéroports de Paris on behalf of the French Government, after a public and competitive negotiated procedure.

### Funding of security activities

Security activities such as those relating to aircraft rescue and fire-fighting services and services for the prevention of animal hazards and those linked to measures employed within the framework of environmental controls are financed by the airport security tax collected for each departing passenger and each tonne of cargo or mail that is loaded.

Since 1 January 2011, airport security tax totals €11.50 per departing passenger and €1.0 per tonne of cargo or mail. In order to increase the competitiveness of the Paris-Charles de Gaulle hub, since 1 April 2013, airport security tax has been set at €6.90 for departing connecting passengers.

In addition, a surcharge of €1.25 per departing passenger is paid into an equalisation system, which contributes towards funding these administrative activities at smaller French airports whose annual traffic is less than 5 million units of traffic, 1 unit of traffic being equal to 1 passenger or 100 kilograms of cargo or mail on boarding/loading or disembarkation/unloading. Since the Amending French Finance Act 2013 (Act no. 2013-1279 of 29 December 2013 amending Article 1609 quater of the French General Tax Code), Aéroports de Paris, as a group of airports, no longer benefits from the equalisation system for the funding of security measures for Pontoise, Toussus-le-Noble and Issy-les-Moulineaux airports.

The airlines report to the *Direction Générale de l'Aviation Civile* (DGAC) on the number of passengers, freight cargo and mail loaded for flights made, upon departure from each airfield. This statement is accompanied by payment of the tax due. The DGAC performs the necessary checks on declarations received from airlines and ensures the recovery of the amounts due. It then repays to Aéroports de Paris the amounts received from airlines that departed from Parisian airports.

Aéroports de Paris provides the Ministers in charge of Aviation and the Budget with data relating to the costs for the current year, the previous year and subsequent years, which is required for setting the tax rate. The administration then notifies Aéroports de Paris of the data used for setting the tax rate. Security and safety activities may neither be profit-making nor loss-making over the total multi-year period. Revenues related to airport safety and security for 2016 amounted to €480 million.

Security measures were tightened following the 11 September 2001 attacks in the United States, and this led to a particularly rapid increase in security costs and costs for other general interest tasks financed by the airport security tax (recognised in "Revenue from airport safety and security services"), which rose from €174 million in 2002 to €480 million in 2016 at Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports, of which close to 89% went towards security. This is made up mainly of sub-contracting costs, staff charges, depreciation of fixed assets and maintenance charges.

## Retail and services

This segment includes all of Groupe ADP's retail activities (notably shops, bars and restaurants, car parks, rentals within terminals), as well as advertising activities (Média Aéroports de Paris) and the activities of commercial distribution joint ventures within airports (Société de Distribution Aéroportuaire and Relay@ADP) and restaurant services (EPIGO). Income from these is recognised using the equity method according to the percentage stake in the capital owned.

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015 restated</b>	<b>2016/2015</b>
Revenue	941	935	+0.7%
EBITDA	527	540	-2.3%
Share in associates and joint ventures from operating activities	1	8	-€7m
Operating income from ordinary activities (including operating activities of associates)	409	440	-7.1%

### General description of retail activities

Aéroports de Paris' retail activities designate paying services intended for the general public: passengers, accompanying persons and staff working at the airports. These include, for example, shops, bars and restaurants, banks and foreign exchange counters, car rental, advertising and, more generally, any other paid-for service (Internet, service stations, etc.).

Retail activities are at the heart of Groupe ADP's growth dynamic and thus contribute to the financial performance and appeal of its airports. Aéroports de Paris acts as lessor, developer, promoter and manager for commercial activities through its joint ventures, Société de Distribution Aéroportuaire, Relay@ADP and EPIGO.

<sup>1</sup> Média Aéroports de Paris manages advertising in the terminals and has been fully consolidated since 2016.

## Breakdown of revenue

<i>(in millions of euros)</i>	2016	2015 restated	2016/2015
<b>Revenue</b>	<b>941</b>	<b>935</b>	<b>+0.7%</b>
Retail activities	449	451	-0.5%
Car parks and access roads	175	176	-0.7%
Industrial services revenue	133	133	+0.6%
Rental income	146	141	+3.6%
Other income	38	34	+11.8%

## Rental income from retail activities

<i>(in millions of euros)</i>	2016	2015 restated	2016/2015
<b>Retail (rents)</b>	<b>449</b>	<b>451</b>	<b>-0.5%</b>
Airside shops	299	311	-4.0%
Landside shops	18	15	+21.4%
Bars and restaurants	39	31	+24.6%
Advertising	50	49	+3.6%
Cash and foreign exchange	19	22	-13.6%
Car rental	14	13	+6.5%
Other	11	11	-1.9%

06

The retail activities carried out in landside areas are located before security check-points (customs, border police, security checks) and anyone can make purchases there. Retail activities carried out in airside areas are located after the security check-points. Airside includes part of the space called the "Schengen Area", which no longer provides Border police controls, and the "International Area", where passengers on international flights to all countries outside the European Union, or to French overseas territories, can purchase duty free products.

Rental income from retail operations is based on a percentage of revenue from the points-of-sale in the terminals, including joint ventures and Média Aéroports de Paris.

### AIRSIDE AND LANDSIDE SHOPS

The proposed range of shops within Aéroports de Paris' terminals falls into two broad categories:

- ♦ strategic activities which embody the positioning as "The ultimate Parisian shopping & dining experience January" and which represent the areas with the best returns: Beauty (perfumes and cosmetics), Fashion & Accessories and Art of Living (gastronomy, confectionery, wines and spirits). Aéroports de Paris has chosen to operate these activities

through Société de Distribution Aéroportuaire, which it co-owns with Lagardère Duty Free<sup>2</sup> (a company of the Lagardère Group), and which operates the Beauty, Alcohol and Tobacco activities as well as part of the Gourmet Food and Fashion & Accessories business;

- ♦ leisure and convenience activities: Newsagents, Bookshops, Photo-Video-Sound, Souvenirs, Gifts, Toys and Pharmacies. A joint venture, Relay@ADP, covering part of this scope has been in existence since 4 August 2011, and runs the Newsagents, Bookshops, Convenience and Souvenirs activities. The Company is 49%-owned by Aéroports de Paris, 49% by Lagardère Travel Retail, and 2% by Société de Distribution Aéroportuaire.

Groupe ADP uses a revenue per passenger indicator (Sales/PAX) to better differentiate retail performance as reflected in the revenue from the airside shops, and the performance resulting from the airport manager's commercial negotiations, as reflected in the commercial rents. The revenue per passenger indicator is calculated as the total sales of airside shops divided by the number of departing passengers (48.4 million at 31 December 2016).

<i>Sales/PAX (in euros)</i>	2016	2015	2016/2015
Duty Free Zone	33.3	36.2	-8.1%
Duty Paid Zone	7.1	7.3	-2.9%
<b>TOTAL</b>	<b>18.2</b>	<b>19.7</b>	<b>-8.0%</b>

<sup>1</sup> Measurement indicator calculated by dividing the revenue earned by shops by the surface occupied in sq.m.

<sup>2</sup> Aelia changed its name on 15/10/2015 and is now known as Lagardère Duty Free.

## BARS AND RESTAURANTS

until 2015, the bars, restaurants and other retail services were mainly operated by third parties, although Relay@ADP opened a first restaurant unit under the Kayser brand in December 2012. Since 1 February 2016, a joint venture, EPIGO, 50%-owned by Aéroports de Paris and 50%-owned by Select Services Partner (SSP) became the operator for fast food in a number of terminals at Paris-Charles de Gaulle.

Aéroports de Paris receives income from the operators of its bars and restaurants, essentially based on the revenue from the activity in question. For Aéroports de Paris, revenue from retail activities is therefore closely linked to the gross revenue received by these operators.

## ADVERTISING

Advertising at Groupe ADP airports is managed by Média Aéroports de Paris, a French SAS created in June 2011 and 50% co-owned by Groupe ADP and 50% by JCDcaux France SAS. The company has been fully consolidated since 2016. Média Aéroports de Paris' primary function is to operate and market advertising space and, additionally, to run a television network dedicated to passenger/airport relations at airports operated by Groupe ADP in Île-de-France.

An extensively renewed range was introduced in 2011, with the main aim of improving service quality and innovation, through new outlets, which are fewer in number but more modern (these outlets have been designed by Patrick Jouin, the internationally renowned designer, and include a substantial number of digital screens) and with a more substantial and diversified event-driven offering. It also enables the best possible use of the visibility potential provided by Groupe ADP airports and optimisation of the financial benefits for partners.

The governance procedures, and the procedures for excluding the joint partner, are comparable to those applicable to Société de Distribution Aéroportuaire<sup>1</sup>. In addition, Média Aéroports de Paris shares are inalienable for 9.5 years, i.e. until December 2019.

## BANKING, FOREIGN EXCHANGE, CAR RENTALS AND OTHER RETAIL ACTIVITIES.

Aéroports de Paris receives revenue from car rental companies, banking and foreign exchange activities and several for-fee services (luggage wrapping and storage, telephony, etc.). Rental income comes from leases for non-retail space within the terminals.

## Strategy relating to retail activity

Aéroports de Paris' commercial strategy is based on three major areas:

- ◆ marketing positioning "The Ultimate Parisian shopping and dining experience", implemented via products (centred on three key product families consistently featuring iconic French brands: Beauty, Fashion & Accessories and the Art of Living), the design of retail spaces conceived as windows into Paris life, and service and quality. This strategy is accompanied by an increase in the total area dedicated to shops (bars, restaurants and shops both landside and airside);
- ◆ creating brand awareness before arrival at the airport, notably in the most promising markets (China in particular);
- ◆ a unique business model, with two main types of operators: joint ventures held 50% by Aéroports de Paris and 50% by a business line specialist, and the brands themselves. This business model gives Aéroports de Paris a good level of control over the implementation of its strategy.

This strategy has enabled Aéroports de Paris to benefit from consistent growth in revenue per passenger from 2006 to 2015, increasing from €9.8 to €19.7 at the end of 2015. 2016 saw a decline in tourism in Paris, notably in terms of the main contributing nationalities (China, Japan, Russia) and revenue per passenger decreased by 8.0%, to €18.2. The drop was, however, more contained than that experienced by major Parisian tourist retailers.

The group has thus built a robust travel retail model for the Paris airports that has met growing competition from the town centre offering and has adapted to an environment that is uncertain in both legislative and economic terms.

Under CONNECT 2020<sup>2</sup>, Aéroports de Paris intends to consolidate and continue the development of its retail activities via three strategic priorities:

- ◆ providing the ultimate Parisian shopping and dining experience by:
  - ◆ standardising the offering within the international terminals through six major projects at Paris-Orly and Paris-Charles de Gaulle between 2016 and 2020. The first 2016 milestones of this major development approach were met with, notably at Paris-Charles de Gaulle, the start of the first steps in the redesign of Hall K of Terminal 2E and completion of the redesign of the international area of Terminal 1 (an intermediate step prior to the project to link the international terminals),
  - ◆ continuing to enhance the brand portfolio, notably via the three strategic families (Beauty, Fashion & Accessories and the French Art of Living). Several new brands were added to the portfolio in 2016 with, notably, the opening of the first Saint Laurent boutique in Paris-Charles de Gaulle Terminal 1. The brand portfolio was also significantly enriched in dining in 2016 with the arrival of major international brands like Prêt à Manger (Terminal 3) and the opening of two new gourmet restaurants: CUP in the Paris-Orly South Terminal (Chef Gilles Choukroun) and Café Eiffel in Terminal 1 of Paris-Charles de Gaulle (Chef Michel Rostang and his daughters).

Note that 53 new points-of-sale opened during 2016. In addition to these openings, many new temporary points-of-sale were also opened to boost retail activity, including both shops and restaurants:

- ◆ standing out from the competition on service quality;
- ◆ developing brand awareness before arrival at the airports by targeting frequent flyers and international customers;
- ◆ continuing to capitalise on the economic model by rolling it out in the catering businesses (through the creation of a fast food joint venture with SSP, EPIGO), and sensibly expanding the field of action of joint ventures outside our platforms.

**The implementation of this strategy, combined with the creation of additional retail surfaces and the ongoing improvement of the passenger traffic mix, will allow the group to achieve revenues per departing passenger of €23 for airside shops on a full-year basis after these infrastructural projects have been delivered at the end of the 2016-2020 period.**

<sup>1</sup> See the Strategy section in this Chapter.

<sup>2</sup> See below

## Change in the total area dedicated to retail

<i>(in thousands of sq.m.)</i>	2016	2015
Airside shops	30	30
<i>Of which, shops in International areas</i>	24	24
<i>Of which, shops in Schengen areas</i>	6	6
Landside shops	6	5
Bars and restaurants	21	24
<b>TOTAL</b>	<b>57</b>	<b>59</b>

2016 saw a 10% decrease in bar and restaurant floor area as a result of the closure of points-of-sale with low productivity in the upper area of the Paris-Orly South Terminal. The decrease was partially offset by an increase in the number of shops, primarily as a result of the growth of landside shops and of airside shops in the Schengen zone.

## Joint-ventures' activities

The joint ventures pay rent based on their revenue to Groupe ADP which is recorded under retail activities. The share of income from joint ventures is recorded as operating income from ordinary activities between EBITDA and the operating income from ordinary activities (ROC) in Groupe ADP's consolidated financial statements.

With respect to Média Aéroports de Paris, a French SAS created in June 2011, held 50/50 by Aéroports de Paris and JCDecaux France SAS and managed jointly, the group is considering exercising accounting

control as a result of the clause in the Média Aéroports de Paris Articles of Association which enables it to exercise a purchase option on the shares held by the partner at the end of the procedure provided for in the event of disagreement. The business activity is described in the Breakdown of revenue.

The group has joint operational and accounting control over the other partnerships (Société de Distribution Aéroportuaire, Relay@ADP, EPIGO).

06

<i>(in millions of euros)</i>	2016	2015 restated	2016/2015
<b>Revenue of joint ventures (100%)</b>	<b>808</b>	<b>782</b>	<b>+3.4%</b>
<i>Société de Distribution Aéroportuaire</i>	689	708	-2.8%
<i>Relay@ADP</i>	73	74	-1.3%
<i>EPIGO</i>	47	-	-
<b>Net income of joint ventures (100%)</b>	<b>3</b>	<b>22</b>	<b>-87.0%</b>
<i>Société de Distribution Aéroportuaire</i>	7	18	-64.4%
<i>Relay@ADP</i>	3	3	+3.5%
<i>EPIGO</i>	(7)	-	-

## Société de Distribution Aéroportuaire

### PRESENTATION

In parallel with the leasing of retail space, Groupe ADP is also involved in the direct management of retail space through its joint venture Société de Distribution Aéroportuaire, a French simplified joint stock company (SAS), with airport distribution specialist Lagardère Duty Free, a subsidiary of the Lagardère Travel Retail group. Société de Distribution Aéroportuaire sells alcohol, tobacco, perfume-cosmetics, gourmet food, fashion and accessories and photo-video-sound.

According to the current Articles of Association, each partner holds 50% of the capital and has rights to 50% of the company's earnings and reserves. Since 30 April 2013, Société de Distribution Aéroportuaire shares have been freely transferable subject to the provisions concerning pre-emptive rights and the approval of the partner of the transferee of the shares. Moreover, the Articles of Association for Aéroports de Paris allow for each of the partners to exclude the other partner and force the sale of its shares in the case of violation of a clause in the Articles of Association, or the bankruptcy or reduction in the capital of the partner in question to below the legal minimum. In addition, Aéroports de Paris can potentially exclude Lagardère Duty Free should Lagardère Travel Retail Group lose control of Lagardère Duty Free or in the event of the

termination or expiry of all leases drawn up with Groupe ADP setting out the terms of the company's presence within Paris-Charles de Gaulle and Paris-Orly airports.

Groupe ADP and Lagardère Duty Free have set up a joint, balanced management framework through several governance bodies:

- ◆ a chairmanship held by a company, SARL ADPLS Présidence, where the two joint managers are a representative of Lagardère Services, and a representative of Aéroports de Paris;
- ◆ a collective body known as the "Council", which consists of four representatives for each partner, as well as the Chairmanship of Société de Distribution Aéroportuaire;
- ◆ and an Executive Management team, whose role is to manage the Company from an operating standpoint.

### STRATEGY

It is the ambition of Société de Distribution Aéroportuaire to create the "ultimate" Parisian shopping experience for the product segments for which it is responsible. In order to achieve this, it operates shops under its own brands (BuY Paris Duty Free, for Beauty, Art of Living and Tobacco, and BuY Paris Collection for Fashion & Accessories), or the shops of

known brands at the core of its positioning, notably in Gastronomy, Fashion & Accessories, and photo-video-sound (via the FNAC brand).

At the end of 2016, Société de Distribution Aéroportuaire operated 156 stores over a total surface area of 24,080 sq.m. across all terminals at Paris-Charles de Gaulle and Paris-Orly airports.

## Relay@ADP

### PRESENTATION

In August 2011, Groupe ADP and Lagardère Travel Retail created Relay@ADP, a French simplified joint stock company (SAS) and joint venture dedicated to newsagent, bookshop, convenience and souvenir activities. Groupe ADP has a 49% holding in the company, as does Lagardère Travel Retail, while Société de Distribution Aéroportuaire has a 2% interest. The governance procedures for this company, and for excluding the joint partner, are comparable to those applicable to Société de Distribution Aéroportuaire. In addition, Relay@ADP shares are inalienable for nine years, i.e. until August 2019.

At the end of 2016, Relay@ADP managed 65 shops over a total area of 7,100 sq.m. across all terminals at Paris-Charles de Gaulle and Paris-Orly.

### STRATEGY

The major strategic orientations implemented by Relay@ADP include:

- ◆ the opening of large stores under the Relay brand, allowing the establishment of several areas of offer differentiation based around travellers' needs. In May 2013, Relay@ADP inaugurated this new shop concept in the West Terminal of Paris-Orly;
- ◆ diversification of its offering, notably around souvenirs of Paris (via the Air de Paris brand, which operates both shops and displays in Relay shops).

## EPIGO

### PRESENTATION

In December 2015, Groupe ADP and Select Service Partner created EPIGO, a French simplified joint stock company (SAS) and joint venture to set up, operate and develop fast food outlets. The new company began operations on 1 February 2016 and will operate over 30 points-of-sale for nine years, primarily in terminals 2D, 2E (Hall K and Hall L), 2F, 1 and 3 of Paris-Charles de Gaulle airport. Select Service Partner was retained after public consultation.

Each partner holds 50% of the capital and has rights to 50% of the company's earnings and reserves. EPIGO shares are inalienable for nine years, until December 2024. Moreover, the Articles of Association for Aéroports de Paris allow for each of the partners to exclude the other partner and force the sale of its shares in the case of violation of a clause in the Articles of Association, or the bankruptcy or reduction in the capital of the partner in question to below the legal minimum. In addition, Groupe ADP can exclude Select Service Partner should there be a change in its control or in the event of termination or expiry of all contracts drawn up with Aéroports de Paris setting out the terms of the company's presence within Paris-Charles de Gaulle airport.

Groupe ADP and Select Service Partner have set up a joint, balanced management framework through several governance bodies:

- ◆ a chairmanship held by a company, SARL EPIGO Présidence, where the two joint managers are a representative of Select Service Partner, and a representative of Groupe ADP;
- ◆ a collective body known as the "Council", which consists of four representatives for each partner, as well as the Chairmanship of EPIGO;

- ◆ an Executive Management team, whose role is to manage the Company from an operating standpoint.

### STRATEGY

Through this joint company, Aéroports de Paris aims to further improve the reception and services provided to passengers, who will now enjoy a diversified and updated offering consisting of leading international brands and brands embodying the best of French gastronomy.

## Industrial services revenue

Industrial services include the production and supply of heat for heating purposes, through the use of thermal installations and hot water distribution networks, the production and supply of cold for the air conditioning of installations, through the use of refrigeration stations (powered by electricity) and cold water distribution networks, the supply of drinking water and the collection of waste water, waste collection and the supply of electricity. Most of the electricity used at the airports is purchased externally, although Groupe ADP does have some generating capability to cover its aviation facilities immediately in the event of an interruption in supply.

## The user service offering

As part of its constant concern to improve passenger satisfaction and the services provided to its customers, Aéroports de Paris has put in place a vast range of services, which it is continually adapting.

### Passenger information

Passengers using Groupe ADP's Parisian airports can call a telephone line 24/7 (39 50) with an interactive voice server to obtain information quickly or speak directly with one of our agents.

In order to facilitate passenger connections, Hub One, a subsidiary of Groupe ADP, has rolled out a Wi-Fi network that enables the public to connect to the Internet free of charge. Almost 100 touch-screen information points in 11 languages have also been installed at Paris-Orly and Paris-Charles de Gaulle.

The website is being adapted to the mobile format to handle the increasing use of smartphones. The Paris Aéroport application is available in 11 languages on iPhone and Android (more than one million downloads) and is also evolving to help passengers prepare their journey with peace of mind:

- ◆ organising their journey: thanks to the "My Travel Assistant" functionality, passengers can obtain all essential information from their point of departure to their departure gate with a single click: flight status, terminal, check-in zone, boarding gate. They can access a comparison of transportation methods to the airport with travel times and prices as well as a selection of retail offerings, terminal services and the weather at their destination;
- ◆ saving time: the new parking module enables booking in three clicks and simplified payment thanks to the storage of bank card details. Passengers can access their flight information by scanning their boarding pass or a history of schedule searches;
- ◆ real-time information: as on their smartphone, passengers can find all essential information about their journey on their Apple Watch and display the access code for their parking booking linked to their favourite travel assistant on the screen, as well as all flight notifications.

Paris Worldwide magazine and its mobile app available on Apple and Android smartphones offer passengers tourist and cultural information on Paris and highlight commercial offerings and news at Paris airports.

In addition, a television channel is broadcast on over 200 screens in the terminal.

## Loyalty programme

Groupe ADP launched its new loyalty programme *My Paris Aéroport* in 2016. The free, 100% digital programme is available to everyone. It enables us to better know and reward the most frequent fliers. It provides a range of services to facilitate travel including free high-speed Wi-Fi, permanent discounts and points convertible to purchase vouchers for partner shops and parking, benefits from our partners (car rentals, currency exchange, luggage services, etc.) and invitations to Parisian cultural events. The virtual loyalty card is accessible via the Paris Aéroport application.

## Reception

All terminals have reception and information counters in the landside areas accessible to people who are disabled or have reduced mobility. There are also information counters entirely dedicated to tourist information operated in partnership with Île de France Regional Tourism Committee.

The actions taken to improve the quality of reception, promote the client culture and involve the airport community in these aspects continued in 2016 led by the *Université du Service* (UDS). This included the sharing of the "*Accueil et Relation Clients*" database with reception/notification subcontractor partners, the joint construction of modules to integrate cultural specificities to better welcome customers (notably at security check and screening stations with the Hub Safe subsidiary), service forums with all of the terminal partners to mobilise around the service chain and quality objectives (bringing together companies, assistants, the French border police, etc.).

In addition, in order to assist with the deployment of the new brand and the Associated Traveller commitments programme, a dedicated e-learning module was designed and provided to all of the group's employees and conferences were held for all employees of the Paris-Orly and Paris-Charles de Gaulle airports.

Other reception and hospitality projects are being provided in parallel by the *Université du Service*:

- ◆ the "*Signatures Relationnelles*" project, whose purpose is to enable each employee to embody our *Paris vous aime* promise vis-à-vis all customers through actions, words and attitudes consistent with the values of service (warmth, daring, elegance and care);
- ◆ the evolution of reception and information areas toward a concept in line with the expectations and behaviour of customers.

Lastly, eleven UDS conference rooms, spread over 2,000 sq.m. at the heart of Paris-Charles de Gaulle, are available to the group, its partners and its clients for all types of events (meetings, seminars, training, etc.).

## Comfort

Groupe ADP facilitates access to the airports to and from Paris. With its new Bus Direct premium service, in association with Keolis, Groupe ADP is providing passengers with a new fleet of 50 air-conditioned coaches in addition to existing lines, notably Roissybus and Orlybus. The main services provided to passengers are Wi-Fi and USB ports on board and luggage service at the stations. Real-time information about wait times and any potential disruptions is available at the [lebusdirect.com](http://lebusdirect.com) website. Passengers can also download their ticket to their smartphone at each stop.

Once within the airport area, passengers can find entertainment or relax, regardless of their travel profile. All of the boarding lounges also provide games, with a special emphasis on families:

- ◆ children can enjoy the "Disney" play areas or play airport-related games;

- ◆ children and parents can challenge themselves or each other on PS4 consoles and rediscover original, iconic video game heroes from the 1980s thanks to the arcade gaming concept;

- ◆ families with children up to three years old can access the new "Baby lounge" service. This 42 sq.m. area enables families to put their children to sleep (cradles), to feed them (bottle warmers) and to relax. The first lounge opened at the heart of the East Pier extension in the Paris-Orly South Terminal in March 2016 and has been very successful with passengers. The concept will be deployed throughout the terminals.

In addition, passengers can take advantage of a varied cultural offering:

- ◆ novice and more advanced musicians can become concert pianists on pianos made available free of charge;
- ◆ a free Museum Area is open to passengers in Hall M of Terminal 2E where they can discover original art works lent by major French museums. Exhibitions are held throughout the year in the two airports in partnership with the Louvre and Orsay museums and the Château de Versailles;
- ◆ passengers can also go to the free mini-lounges to watch films and series, to listen to their favourite music with themed play lists or to read the daily newspapers or magazines. Seven multimedia rooms have been installed in Paris-Orly's South Terminal, in Terminal 2G and Satellite 4 of Terminal 1, as well as in Hall M of Terminal 2E at Paris-Charles de Gaulle airport.

Passengers connecting at Paris-Charles de Gaulle can now take advantage of the 1,000 sq.m. of the Instant Paris long connection centre located in Hall L of Terminal 2E where they have free access to a library, a Kapla area, a large work table and multimedia screens to read the papers. They can also watch films and series, listen to music and use a "Charge Box" to safely recharge their electronic devices in a quiet, comfortable and elegant Haussmannian atmosphere. An eighty-room "YOTEL" hotel provides a real bed to sleep in for a few hours or the entire night, as well as showers. A restaurant provides a wide range of hot and cold foods to eat on site or take away.

## Efficient traffic flow

A real-time information system showing wait times has been rolled out at most of the security and inspection stations. Passengers can now view their waiting time on display boards before they reach these areas. As part of the commitments to travellers launched in the spring of 2016, Groupe ADP is reducing wait times as follows: wait times before security checks will not exceed 10 minutes in 90% of cases.

For parents accompanying children, family security checkpoints are set up at Paris-Orly and Paris-Charles de Gaulle during school holidays. During these periods, each child receives an original puzzle book featuring cartoon characters at the airport.

In addition, the PARAFE (Rapid Automated Passage through External Borders) system, which was implemented by the French Ministry of the Interior, Overseas, Local Authorities, and Immigration, enables passengers to cross the border more rapidly, independently and completely free of charge, thanks to automatic gates, and to electronic passports and finger printing technology. In addition, testing of facial recognition technology is underway at Paris-Charles de Gaulle. The results of these tests should be known in the first half of 2017 and it is the responsibility of the Ministry of the Interior to validate the system or not. In any case, the new smart gates will be compatible with digital fingerprint recognition and/or facial recognition technology.

The use of the Parafe II system will enable the fulfilment of the dual objective of ensuring more efficient passenger flow through border controls while guaranteeing a very high level of reliability.

## Real estate

<i>(in millions of euros)</i>	2016	2015 restated	2016/2015
Revenue	263	265	-0.8%
<i>External revenue (generated with third parties)</i>	211	213	-1.2%
<i>Internal revenue</i>	52	52	+0.9%
EBITDA	149	164	-9.0%
Operating income from ordinary activities	105	105	-

### Presentation of the activity

Non-terminal real estate activity is a strategic development axis and has become a focus for growth for the group with an economic cycle that differs from that of Groupe ADP's other activities. The strong growth potential, resulting from the Company's substantial real estate reserves, density that is still low in certain areas, and the reversion potential of land occupied, is an important driver for the creation of value for Groupe ADP.

As both landowner and developer, Groupe ADP prepares and services land that it then makes available to investors or users, who pay rent. Groupe ADP also acts as a developer or investor, managing real estate projects to meet its own needs and those of companies seeking to establish operations within its airports.

As a property owner, Groupe ADP manages its assets (commercial strategy, remodelling and renovation), its rentals (marketing, tenant relations, rents and charges, regulatory obligations and maintenance and repair management) and offers additional services to tenants (repairs, security and cleaning).

There are two complementary categories of real estate assets:

- ♦ airport real estate includes land and buildings intended for aviation activities outside the terminals or requiring direct access to runways,

such as aircraft maintenance hangars, frontline cargo courier services and industrial buildings (catering, etc.);

- ♦ diversification real estate, which includes land and buildings that do not have direct access to runways, or for which this access is not essential to the operation of the activity, such as offices, hotels, retail and business premises, logistics premises and warehouses. These real estate activities are excluded from the regulated scope since 1 January 2011.

Aéroports de Paris provides real estate services to clients from a wide range of sectors including Air France-KLM, FedEx, Unibail-Rodamco, Audi, Accor, La Poste, Bolloré Logistics, Kuehne+Nagel, DHL, Groupe Auchan, Casino, FNAC, Dassault and Servair. The top ten customers represent around 60% of external revenue in 2016. Leases are mainly long term, thus limiting rental risk. At 31 December 2016, over 55% of leases by value had a maturity date of nine years or more. For leased land, building and long-term leases may have a term of as long as 70 years. For leased buildings, the leases are commercial or civil.

### The land portfolio dedicated to real estate activity

Aéroports de Paris owns its entire land portfolio, which extends over 6,686 hectares, of which 4,601 hectares are reserved for aviation, 775 hectares are areas that cannot be exploited, and 1,310 hectares are dedicated to real estate activities.

The surface areas available for real estate break down as follows:

<i>(in hectares)</i>	Aeronautical	Diversification	Total
<b>Surfaces dedicated to real estate</b>	<b>444</b>	<b>866</b>	<b>1,310</b>
Land reserves	63	360	423
Land used for ADP buildings	245	66	311
Land leased to third parties	136	440	576

Land reserves are used for projects compatible with the urban planning rules in effect in the municipalities in question (SCOT, CDT, PLU<sup>1</sup>, etc.).

After a significant depletion of land reserves in 2015, 2016 allowed rebuilding with the addition 42 hectares as a result, primarily, of the transfer of unused aeronautical holdings. The main land reserves added were 16.8 hectares at Paris-Orly, primarily in the North Industrial Zone located near the future Pont de Rungis train station for the Grand Paris Express 14 line, and 24 hectares at the general aviation airfields in Saint-Cyr School and Lognes.

Land leased to third parties was located at Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports as well as at civil airfields. Nearly 20% of the land leased to third parties is linked to airport activities at Paris-Charles de Gaulle airport, 10% at Paris-Orly airport, and 60% at Paris-Le Bourget and general aviation aerodromes.

In 2016, the assets dedicated to real estate activities were valued at €2,642 million, of which €2,349 million in investment buildings as detailed in note 6.3.2 of the group's consolidated accounts<sup>2</sup>. The valuation includes nearly €300 million in buildings occupied by Groupe ADP for its own use, the assets held by its fully consolidated subsidiaries and assets restated according to IFRS standards under lease-financing contracts.

### Leased buildings

A 4,700 sq.m. equipment maintenance facility was built for Aerolima in 2016.

Usable commercial space at the end of 2016 totalled 1,025,000 sq.m.. The occupancy rate is over 92%.

<sup>1</sup> Île-de-France Master Plan, Developing Services Council, Local Town Planning.

<sup>2</sup> See Chapter 20.

Leased surfaces break down as follows:

(in thousands of sq.m.)

	Aeronautical	Diversification	Total
<b>Rented places</b>	<b>562</b>	<b>463</b>	<b>1,025</b>
Cargo buildings	204	6	211
Maintenance hangars	312	1	313
Business and logistics premises	17	102	119
Offices	8	126	134
Internal rentals	9	149	158
Other buildings	12	78	90

## Real estate activity positioning

Groupe ADP has a first-class competitive position on the Île-de-France region's real estate market thanks to the following assets:

- ◆ significant land reserves: the ability to provide large, single-use areas of land within districts that are already largely connected to the airport provides an opportunity for companies seeking to group together large office spaces, warehouses and courier services close to Paris;
- ◆ quality assets: the land is fully-owned and provided to third parties under long-term leases. The assets are spread over three complementary airports;
- ◆ a preferential geographical location because of the proximity to Paris and the location of the assets and land at the heart of two of the three largest economic hubs in the Île-de-France region, which are an essential driver of the national and regional economy;
- ◆ improved access by public transport over time: with the completion of CDG Express and the Grand Paris Express which provides for the installation on Groupe ADP land of four stations for lines 14, 17 and 18, two of which will be located at Paris-Charles de Gaulle, one at Paris-Orly and one at Paris-Le Bourget.

In addition, Aéroports de Paris has significant real estate development opportunities:

- ◆ some districts offer considerable potential for diversification;
- ◆ a strategy to win market share has been rolled out, notably for offices, hotels, logistics premises and cargo courier services;
- ◆ the asset management policy adopted enhances the value of the existing land and real estate assets (remodelling, renovation or demolition, etc.).

## Real estate activity strategy

In terms of its real estate activity, Aéroports de Paris hopes to perform at the same level as a first-class integrated property operator, making use of the development potential provided by the airport and its proximity to Paris and benefiting from long-term leases, leading to solid revenues over the long term. This ambition rests on a strategy of developing *Villes Aéroportuaires* (Airport Cities) that consists of creating districts that offer companies and their employees a good quality of life (easy to access, sustainable planning, high quality landscaped areas and a diverse range of shops and services, etc.).

The economic model for real estate activity is based on two markets (airport real estate and real estate diversification, offering prospects for value creation over the medium term) and in two business lines.

The manager business line is founded on a solid model with diversified asset classes (hotels, offices, shops, logistics and manufacturing) and lease maturities offering long-term revenue visibility. Groupe ADP intends to continue strengthening service quality to customers, with a sustainable

development policy (certified environmentally-friendly buildings, sustainable area planning, etc.), upgrading holdings and securing sites. Annual satisfaction surveys carried out among our customers reveal an increasing satisfaction rate.

The developer business line is based on flexibility between land reserve planning and investing in real estate assets

Aéroports de Paris intends to reinforce its position as an investor, as soon as projects allow, in the most profitable asset classes, particularly, in the hotel, business and logistics and commercial real estate sectors while conducting an active policy to upgrade existing assets and acquiring land adjacent to the airports to prepare for the future.

The implementation in 2016 of a new legal organisation for the real estate companies holding the assets will enable increased property growth. The implementation of the new organisation will be completed in 2017 under an umbrella holding structure:

- ◆ one company specialised in for services assets (offices/hotels);
- ◆ one company specialised in industrial activities (logistics/cargo/business parks).

These two companies will in turn hold companies that manage real estate projects, and are expected to receive €98 million over the 2016-2020 ERA period.

2016 saw the implementation of this strategy with continued development in the hotel sector including a new Holiday Inn Express (305 rooms) in the Roissy-Pôle Ouest area of Paris-Charles de Gaulle airport (opening scheduled for July 2018) and the refurbishing of the Mercure Hotel and the building of a new Ibis Styles in the Orlytech district (200 rooms) planned for delivery in 2018 which will meet the need for hotel development around the Paris-Orly airport.

Furthermore, new investment in the walls of a four-star hotel with 267 rooms operating under the Inside by Melia brand in the Roissy-Pôle Ouest area of the Paris-Charles de Gaulle airport at the end of 2016 illustrates the investment strategy implemented by Aéroports de Paris in the services sector.

The cargo activity at Paris-Charles de Gaulle airport saw the signing in July 2016 of a memorandum of agreement with a condition precedent with FedEx for the cargo zone for the planned "extension 2" construction project which underscores the potential for growth of the real estate hub with the operator for a period of 20 years, that is, until 2048. These agreements confirm that Paris-Charles de Gaulle is maintaining its position in air cargo against the competition from the other major European hubs.

The launch in early 2017 of the Roméo programme, located at the heart of the Paris-Orly airport in the cargo zone, provides for the creation of 22,300 sq.m. of floor area including 18,000 sq.m. of warehouses and work areas and 4,300 sq.m. of office space as well as 225 parking spaces (delivery in early 2018). The business area is divided into nine modules and will have a direct connection to the airside areas via a corridor to be

built. A cross-dock with lorry docks on the landside and direct street-level access will provide access to the airside area.

In addition, the group was able to attract new players to the Paris-Charles de Gaulle airport thanks to the planned implementation of an Audi Showroom in the north Aéroville district (delivery in 2018) and, in the short term, via the development of an automotive village. The project is contributing to increasing the appeal of the Paris-Charles de Gaulle airport with the development of an innovative services offering for passengers and airport employees.

The completion of plans for the Tivano park in the southwest corner of the Paris-Orly airport will provide room for two new agri-foods companies in a cold logistics building (10,800 sq.m.) and storage warehouses and courier

services (12,500 sq.m.) together with offices. These projects will enable the use of the land currently available via the conversion of land reserves.

Aéroports de Paris has set a target of 10-15% growth in external rent over the 2014-2020 period, excluding indexing, made possible by new projects and the renegotiation of existing contracts. In parallel, refurbishing existing holdings will cost €111 million and 100,000 sq.m. of obsolete buildings will be demolished.

This will require investment of around €480 million for the parent company<sup>1</sup> and €100 million for its subsidiaries, €200 million for the refurbishment of assets and development, or some €800 million in total, of which €513 million (including subsidiaries and debt) as an investor and €192 million for maintenance and servicing of assets and the asset management policy, the remainder as developer.

## Breakdown of real estate projects as at 31 December 2016

Airport	Segment	ADP Role	Operator	Project	Opening	Floorspace (sq.m)
CDG	Diversification	Developer	Sogafrö/SDV	Offices and warehouses	2016	37,500
CDG	Aeronautical	Investor	Aerolima	Equipment maintenance centre	2016	4,700
CDG	Aeronautical	Developer	Aérostructure	Maintenance	2016	19,000
ORY	Diversification	Developer	Accor	Hotels	2016	7,400
<b>TOTAL PROJECTS COMMISSIONNED AT THE END OF 2016</b>						<b>68,600</b>
CDG	Diversification	Investor	Divers	Warehouse	2017	1,000
CDG	Diversification	Investor	Divers	Offices	2017	700
ORY	Diversification	Developer	Accor	Hotels	2017	7,600
ORY	Diversification	Developer	Vailog	Courier service	2017	17,800
CDG	Diversification	Investor	Siège social	Offices	2017	17,100
ORY	Diversification	Developer	Groupe Auchan	Warehouse	2017	10,800
ORY	Diversification	Developer	RSF	Employee residence	2017	3,700
CDG	Diversification	Investor	Baïkal	Offices	2018	13,500
ORY	Diversification	Investor	Roméo	Offices and warehouses	2018	22,300
CDG	Diversification	Developer	Holiday Inn	Hotel	2018	10,000
<b>Ongoing projects</b>						<b>104,500</b>
CDG	Diversification	Developer	Audi	Showroom	2018	4,600
ORY	Diversification	Developer	Bio C bon	Warehouse	2018	12,500
CDG	Diversification	Investor	Innside	Hotels	2019	11,400
CDG	Diversification	Developer	Moxxy	Hotels	2019	8,100
CDG	Aeronautical	Developer	FEDEX	Extension	2019	48,500
<b>Total ongoing projects - building permit obtained or under instruction (delivery by 2020)</b>						<b>85,100</b>

<sup>1</sup> Including costs for capitalisable projects.

## Real estate activity at the Paris-Charles de Gaulle airport

The airport real estate consists mainly of buildings assigned to cargo or maintenance activities and service activities connected with the development of the Ville Aéroportuaire (Roissy-Paris).

### Cargo

Cargo City at Paris-Charles de Gaulle has a total of 300 ha dedicated to cargo, a unique situation in Europe. It hosts 12 of the 14 world leaders in the sector with a record occupancy rate of 95% at 31 December 2016.

The cargo strategy for Paris-Charles de Gaulle airport is focused on two areas:

- ◆ supporting the growth of express cargo traffic, particularly through the continued expansion of the FedEx hub with potential growth;
- ◆ strengthening of the airport's positioning as a European leader in cargo, in terms of tonnes processed, with the aim of doubling tonnage over the long term based on three levers:
  - ◆ improving the active front line (the area containing the warehouses that are closest to the aircraft, at the border between airside and landside) by investing in new warehouses,
  - ◆ the development of new world-class infrastructure for cargo operators (forwarding agents): 37,500 sq.m. of cargo courier services for Bolloré Logistics Group delivered in early 2016,
  - ◆ renovation and increased density of areas assigned to cargo and optimisation of the operating processes, in particular by securing accesses to Cargo City and setting up services for our customers.

### Services

The strategy for developing real estate services is based around these key projects:

- ◆ the development of the Ville Aéroportuaire in the Roissy-Paris business district, the first Airport City worldwide, which now includes around 230,000 sq.m. of offices and 112,000 sq.m. of hotels. This district, which is connected to the various Paris-Charles de Gaulle terminals, primarily consists of offices: the Continental Square complex with a surface area of 50,000 sq.m., the Altai building measuring 13,250 sq.m. and, in the near future, a complex comprising the new head office of Aéroports de Paris and the "maison de l'environnement" measuring 18,042 sq.m. (delivery of the building began in 2016) and the Baïkal building, measuring 13,500 sq.m. (2018);
- ◆ the expansion of the Roissy-Paris hotel offering. After the opening of the Ibis Hotel extension in 2011 (+8,600 sq.m.), the hotel offering was further increased with the delivery in 2014 of the CitizenM hotel (6,100 sq.m. and 230 rooms), two new Accor Group hotels in 2015 (27,000 sq.m. and 600 rooms), and, a group of three new hotels for a total 887 rooms which will be delivered by 2019 on a 10,500 sq.m. lot;
- ◆ Aéroville, developed by Unibail-Rodamco, is a retail and services centre covering 110,000 sq.m. over 12 hectares delivered in 2013. Aimed primarily at airport employees and local residents, this shopping centre offers an Auchan hypermarket with Drive, a 12-screen multiplex for EuropaCorp, 30 restaurants, 205 shops and 4,000 parking spaces;
- ◆ an Audi Showroom in the north Aéroville district and, in the short term, the prospect of a new multi-brand village.

## Real estate activity at the Paris-Orly airport

Paris-Orly airport's goal is to become a major business hub at the heart of Orly, the largest economic cluster in the southern Île-de-France region, based on the Ville Aéroportuaire development strategy.

Paris-Orly is also developing a full range of diversified products on all its land reserves for service activities and for logistics and courier business activities, with excellent road access and proximity to the agri-food cluster at the Rungis national wholesale food market.

The Paris-Orly platform is served by public transport (Orlyval-RER B, RER C and the T7 tramway), which will be supplemented by two new Grand Paris Express lines (lines 18 and 14) by 2024. The project to extend the T7 tramway line to Juvisy is currently being studied. As part of the South interconnection project for high speed lines, a TGV station could also be created in the longer term.

Pre-launch of the airport city, first to move in will be a hotel centre of 35,000 sq.m. opened by the Accor Group including a Novotel, an Ibis Budget and an extension to the existing Ibis (410 additional rooms in all). Aéroports de Paris is also a 50% co-investor in the Cœur d'Orly office and retail project, alongside the Altarea/Foncière des Régions group. This project represents a total investment for the parties involved of around €450 million, excluding hotels. Designed by architect Jean-Michel Wilmotte, the first office building, Askia (19,500 sq.m.), was delivered in late October 2015. It meets the NF-Bâtiments tertiaires HQE<sup>1</sup>, BBC-effinergie<sup>®</sup> and BREEAM<sup>®</sup> energy efficiency standards. It is connected to the existing geothermal network used by the airport. A lease for 430 sq.m. of office space was signed with Société de Développement Aéroports de Paris in 2016. A walkway currently under construction will link the first new Cœur d'Orly premises with the South Terminal. Aéroports de Paris has decided to combine some of its services within Askia and has committed to using 50% of the building's office space over nine years. The other office projects have been suspended for the time being. That second part of Cœur d'Orly provided for the building of a shopping centre. The construction lease commitment expired in November 2016 and was not extended<sup>1</sup>.

To support traffic growth at Paris-Orly airport, a substantial development strategy involving the diversification of hotel capacity across all platforms will almost double the current hotel offering at Paris-Orly by 2025.

Local shops may also be opened in proximity to the platforms.

The Roméo business park project, with a surface area of 22,000 sq.m., and 100% invested by Aéroports de Paris, has just been launched, to be delivered in full in early 2018.

At the Avernaises park, 217,800 sq.m. of courier warehousing was delivered for FedEx at the end of 2016. In addition, the servicing of the Parc des Avernaises land reserve carried out in 2016 will enable Groupe ADP to provide its clients with 25 hectares of land available for marketing immediately.

In addition to the development operations, a major operation to redesign the Orlytech office park was launched in 2013. This project consists of remodelling 19 buildings with a total surface area of 28,600 sq.m. built in the 1990s so that they meet the highest market standards. Two buildings and the shared company restaurant were renovated and delivered in 2016. This project is accompanied by the qualitative redesign of the buildings' surroundings and planning for the development of this services zone in the medium term.

<sup>1</sup> See Chapter 9 – Impairment charge for development studies relating to office projects at Cœur d'Orly.

## Real estate activity at the Paris-Le Bourget airport

Aéroports de Paris has significant areas available for development to the south of this platform. A memorandum of cooperation was signed on 24 July 2015 at Le Bourget by Aéroports de Paris, elected officials and the regional partners for the study of preliminary work on an urban project that will contribute to the appeal of the region by 2024 and consist of a real estate complex including the renovated air museum, a recreational centre, services and retail, hotels and service industries. The complex will be optimally serviced with the arrival of metro line 17. Feasibility studies were done in 2016. A study of the master plan for the development of

the land reserve located on the north side of the Paris-LeBourget airport in the municipality of Bonneuil (approximately 20 ha) has been initiated (creation of a business park). Operational studies will be carried out in 2017 for the subsequent marketing of the land.

Groupe ADP is studying the purchase of land adjoining the airport zone which will enable strengthening of the development potential of the airport for aviation activities.

In addition, a study is under way for the General Aviation airfields at Saint-Cyr-L'École and Lognes to study the potential development master plans for these areas which have large land reserves of approximately 400,000 sq.m. available for conversion.

## International and airport developments

The "International and airport developments" segment consists of the businesses within Aéroports de Paris' subsidiaries and holdings that operate airport management, engineering and construction activities. Created in 2012 and renamed in 2014, this segment includes Aéroports de Paris Management, ADP Ingénierie, and the holdings in Schiphol Group, TAV Airports and TAV Construction.

(in millions of euros)	Revenue		EBITDA		Operating income from ordinary activities (including operating activities of associates)	
	2016	2016/2015	2016	2016/2015	2016	2016/2015
Aéroports de Paris Management	23	+28.1%	-	-	5	+€4m
ADP Ingénierie	75	-5.1%	4	+€9m	4	+€9m
TAV Airports <sup>1</sup>	-	-	-	-	(1)	-€37m
TAV Construction <sup>1</sup>	-	-	-	-	(67)	-€72m
Schiphol Group <sup>1</sup>	-	-	-	-	12	-36.1%
SDA Retail (Zagreb)	-	-	-	-	-	N/A
<b>TOTAL</b>	<b>97</b>	<b>+1.0%</b>	<b>2</b>	<b>+€11M</b>	<b>(49)</b>	<b>-€103M</b>

<sup>1</sup> Company accounted for using the equity method.

## International activities

Groupe ADP is reorganizing its international activities, based on three pillars:

- ◆ greater coherence, by grouping its international activities into three large businesses, investment, operations and engineering, based around a new identity «ADP International»;
- ◆ greater proximity by creating regional offices close to markets with high growth;
- ◆ greater expertise, by strengthening its teams in relation to company-wide key skills, risk management, prospecting and international mobility in particular.

## Aéroports de Paris Management

Wholly-owned by Aéroports de Paris, Aéroports de Paris Management's (ADPM) activity is airport management and equity investment in airport companies outside Paris. The equity stakes held by Aéroports de Paris Management are as follows:

- ◆ Belgium: a 25.6% stake in the Belgian company Liege Airport since 1999. This company manages the Liège-Bierset airport, which is an important platform for cargo traffic. ADPM has specific rights via partnership agreements. Aéroports de Paris Management renewed these agreements for a 15-year term in 2015;
- ◆ Guinea: a 29% stake in the Guinean company Société Guinéenne de Gestion et d'Exploitation de l'Aéroport de Conakry (SOGECAC), in addition to a technical support contract for the management of the airport that is valid until November 2018. In particular, Aéroports

de Paris Management is assisting SOGEAC with upgrade work on its facilities. In 2016, the airport welcomed 0.4 million passengers, up 27.3% after 2015 performance was affected by the Ebola epidemic;

- ◆ Saudi Arabia: a 5% stake in the Saudi company Matar since 2007, whose objective is to carry out the operation and maintenance of the Hajj terminal at Jeddah airport, which receives religious traffic. At the same time, in 2007, Aéroports de Paris Management signed a technical support contract with the Hajj terminal operator. The contract was renewed in December 2016 for a period of one year until 31 December 2017. The Hajj terminal welcomed 7.8 million passengers in 2016, a slight increase of 6.8% compared with 2015;
- ◆ Jordan: a 9.5% stake in the Jordanian company AIG, which holds the concession for Queen Alia International Airport in Amman, since 2007. With a 25-year term, the concession contract provides for the redevelopment of the existing terminal and the construction of an additional terminal with a capacity of 12 million passengers. The first phase of construction (7 million passengers) was completed in February 2013. The second phase, which is expected to increase capacity to 12 million passengers, began in December 2013 and was delivered in July 2016. Aéroports de Paris Management also owns 100% of the Jordanian company Jordan Airport Management (JAM) which is responsible for the terminal operation for the duration of the concession. The airport welcomed 7.4 million passengers in 2016, an increase of 4.4%;
- ◆ Republic of Mauritius: a 10% stake in ATOL (Airport Terminal Operations Limited), the company holding the concession for the new terminal at the Republic of Mauritius International Airport, since 2008. With a 15-year duration, the concession contract provides for the construction

and management of a new 4.5 million passenger capacity terminal which was commissioned in September 2013. Aéroports de Paris Management also signed a technical support contract with ATOL in August 2008 for project follow-up and the commissioning and management of the new terminal. The contract was renewed in August 2016 for a period of three years. The airport welcomed 3.5 million passengers in 2016, an increase of 10.6% compared with 2015;

- ◆ Croatia: the consortium ZAIC-A Ltd, the sole shareholder of the company holding the concession, MZLZ (Medunarodna Zračna Luka Zagreb d.d.), joining forces with Aéroports de Paris Management (20.8% of capital), TAV Airports (15.0%), Bouygues Bâtiments International, the Croatian company Viadukt, Fonds Marguerite and IFC (a member of the World Bank Group), was appointed in April 2012 by the Croatian Government as the successful bidder of the concession contract for the Zagreb airport. The financing agreements were signed on 4 December 2013. The project is for a new 65,000 sq.m. terminal designed to accommodate 5 million passengers by 2016, replacing the current terminal. The new terminal was delivered in December 2016 and its opening took place in March 2017. Aéroports de Paris Management, in partnership with TAV Airports, will provide technical assistance for the entire airport for 30 years. The airport welcomed 2.8 million passengers in 2016, an increase of 6.9%;
- ◆ Chile: Sociedad Concesionaria Nuevo Pudahuel, a company under Chilean law in which Aéroports de Paris Management, VINCI Airports and Astaldi hold respective stakes of 45%, 40% and 15%; the concession for Santiago International Airport has been assigned for a 20-year term on 5 May 2015. It is the historic basis for the company LAN Chile. Nuevo Pudahuel took over management of the airport on 1 October 2015 at the end of the previous concession and will provide the funding, design and construction of a new 175,000 sq.m., terminal which will increase the airport's capacity to 30 million passengers, with potential for expansion beyond 45 million. Aéroports de Paris Management provides technical support to the company holding the concession via a technical support contract valid until 2035. The airport welcomed 19.2 million passengers in 2016, an increase of 11.3% compared with 2015, almost half of which were international passengers;
- ◆ Madagascar: since November 2016, Aéroports de Paris Management has had a 35% holding in the Madagascar-registered company Ravinala Airports which has the concession to operate the Antananarivo and Nosy Be airports;

Aéroports de Paris Management sold its 25.5% stake in the Mexican company Servicios de Tecnología Aeroportuaria (SETA), a strategic partner of the airport management company Grupo Aeroportuario del Centro Norte (GACN), in October 2016. Aéroports de Paris Management will maintain a technical assistance contract for a period of two years through the end of 2018. In 2016, the airports managed by GACN handled 18.9 million passengers, an increase of 10.8% compared with 2015.

## ADP Ingénierie

### Presentation

ADP Ingénierie (ADPI), a global leader in airport design, is wholly owned by Groupe ADP. Its core activity is designing and successfully undertaking international development and infrastructure projects, exclusively in the airport field. It provides a range of consultancy, project contracting assistance and supervision services (studies and supervision of works), as well as project management services related to French delegated project contracting assignments.

ADP Ingénierie is involved in all of the steps of its clients' projects:

- ◆ during the upstream planning and programme phase, by conducting several types of technical and economic studies (feasibility studies, traffic forecasts, dimensioning of facilities, site plans) and consultancy for potential private and public investors;
- ◆ during the initial design phase, by performing preliminary design work (which covers the initial definition of technical elements, the assessment of project costs, the determination of the architectural style of buildings and their geometric characteristics);

- ◆ during the detailed design and preparation of contractors' tender documents phase, in order to define in detail technical specifications, the technical features of the facilities, the provisional project cost and the estimated timeframe for the completion of work;
- ◆ during the construction phase, through assistance assignments and/or the steering of supervision of works and the commissioning of the facilities for the purpose of securing the project realisation conditions;
- ◆ during the airport operations phases via consulting and studies for the transformation or optimisation or upgrading to standards of existing infrastructure.

ADP Ingénierie has expertise in all of the main airport disciplines and also seeks to be a long-term partner for its clients and to anticipate their needs. The company has over 700 references in over 100 countries and more than 15 years experience and it currently manages about 80 projects.

The company primarily works with international customers: over 85% of its revenue is from outside of France. It has offices in Dubai, Bahrain, Oman, Latin America, East Africa, Hong Kong and China. In France, activity is primarily focused on advanced airport expertise in systems, planning and the management of complex flows. As of the end of December 2016, its 412 employees were deployed in 17 countries.

At the end of 2016, the backlog for the 2017-2019 period amounted to €57 million.

## Main projects underway in 2016

### ARCHITECTURE AND MEGA TERMINALS

#### ◆ China:

- ◆ third Beijing airport (Daxing): design of the 700,000 sq.m. mega terminal with capacity for 45 million passengers in phase I, with the potential to extend to 72 then 100 million passengers. 145 aircraft stands, expandable to 317 over time;
- ◆ second Chengdu airport (Tianfu): site plan and functional and architectural design for the two passenger terminals of the future airport. 40 million passenger capacity. Mission in progress with the Chinese design institute and the end-client on the topics of performance, functionality and innovation.

#### ◆ Middle East:

- ◆ future Al Maktoum airport in Dubai: Concept design for the logistics lots (Automated General Logistics Systems) covering the maintenance of all property: baggage, cargo, aircraft and terminal catering, duty free and dry waste management;
- ◆ future Al Maktoum airport in Dubai: 120 million passenger capacity in phase I and 240 million passengers over time. Concept and preliminary design of the airbridge lots;
- ◆ Bahrain (Manama International Airport): ADP Ingénierie is continuing its mission as the designer of the new airport with an additional supervisory role for the building lots awarded in mid-2016;
- ◆ Ras Al Khaimah airport: Architectural conception and design for the extension of the existing terminal as well as for the VIP lounge.

#### ◆ Africa:

- ◆ Kenya: Jomo Kenyatta International Airport in Nairobi. Following the refurbishment of the existing runway and the construction of a new aircraft parking area, which were accepted on 11 May 2016, a new contract was concluded for the design of a second runway and technical buildings and for a study for the renovation and extension of terminal 1;
- ◆ Mali: supervision of construction work on the new terminal and the VIP lounge of the Bamako-Senou international airport.

#### ◆ The Americas:

- ◆ Santiago (Chile): architectural and systems engineering studies for Groupe ADP/Vinci Construction/ASTALDI consortium for the construction of terminal 2 and the refurbishment of the existing terminal and of the aeronautical infrastructure. 30 million passenger capacity.

## CONSULTING OFFERING

- ◆ United States:
  - ◆ New York-JFK, on behalf of the Port Authority of New York and New Jersey: planning for capacity increases at the Delta Airlines terminals;
  - ◆ Newark-Liberty (New York): project/programme management framework contract covering a very wide range of expert skills.
- ◆ Continued development in Asia:
  - ◆ Gimhae (South Korea): the South Korean government selected the site of the current Gimhae Airport for the new Younam regional airport on 21 June 2016, based on the studies and recommendations made by ADP Ingénierie;
  - ◆ Kathmandu (Nepal): new 95,000 sq.m. terminal entirely dedicated to international traffic which will increase capacity from 4 to 7.5 million passengers, including a VIP terminal, landside and airside infrastructure, etc.
- ◆ Consulting and Design for concession and public-private partnership projects:
  - ◆ Madagascar: ADP Ingénierie assisted the concession group (Aéroports de Paris Management/Bouygues Bâtiments International/COLAS) throughout 2016 to finalise its offer and building obligations after the financial close. ADP Ingénierie also developed technical studies for the construction of the new terminal, for the extension of the runway and aircraft areas at the Antananarivo and Nosy Be airports;
  - ◆ Cuba: design of the extension and refurbishment of terminals T2 and T3 of Havana airport.

## SYNERGIES WITH GROUPE ADP

- ◆ At Paris-Orly:
  - ◆ airport security project impact studies.
- ◆ At Paris-Charles de Gaulle:
  - ◆ studies and supervision of the implementation of the baggage handling management system - BHS in terminal 2;
  - ◆ renovation of Terminal 2B and connection between terminals 2B and 2D.
- ◆ Building Information Modelling (BIM):
  - ◆ many assignments to provide technical assistance and modelling of future and/or existing buildings.

## 2016 AWARDS

ADP Ingénierie's excellence and experience in 3D modelling (BIM), as both a consultant and a certified trainer, were rewarded by the profession with a 2016 silver BIM. It was awarded on 19 September 2016 in the Operation-Maintenance category (shared with Groupe ADP Real Estate Division) for the modelling of Paris-Charles de Gaulle airport buildings.

In addition to mastering design tools, ADP Ingénierie launched a complete innovation and training programme in 2016 in order to offer its clients around the world increasingly innovative and relevant solutions which meet the current challenges of the airport industry.

## Strategy: ADP Ingénierie is focused on the future

To support Groupe ADP's international goals, ADP Ingénierie Group collaboratively developed a new strategic project called "ADPI one World".

Based on recent market trends, new client needs and the opportunities provided by new technologies, the project is intended to significantly expand ADP Ingénierie's services offering. It lays out the roadmap for the Company's evolution over the coming five years.

Starting in 2016, some of ADP Ingénierie's recent changes already anticipate the key aspects of the new strategy:

## TO BE CONSISTENTLY PRESENT IN THE AIRPORT BUSINESS WORLDWIDE

The business, which was historically very focused on the Middle East region, is now more homogeneously spread across the five continents. In addition to pursuing its development in Asia, ADP Ingénierie is strengthening its presence in Africa, in Europe with mature airports that are either growing or being renovated (Prague, Zagreb, Luxembourg, Dublin, etc.) and, more recently, on the American continents with, in addition to Chile, a breakthrough in North America.

## A PRESENCE IN THE MIDDLE EAST, A STEPPING STONE TO ASIA

By consolidating its centre of excellence in the Emirates in the form of a "skills hub" complementary to the one in France, the company intends to use its long-standing presence in the region as a stepping stone to Asia, where it continues to build on its successes: in China, Hong Kong, Nepal, Pakistan, Taiwan, and South Korea.

## MASTERY OF TOOLS AND OPERATIONAL EXCELLENCE

By continuously developing its skills and 3D tools, such as for the digitisation of terminals and their modelling with BIM: for Groupe ADP, the Paris-Orly train station, the connection between the satellites of Paris-Charles de Gaulle's terminal 1, Paris-Charles de Gaulle real estate assets, etc.

## TECHNOLOGY INNOVATION FIELDS

By investing and experimenting its Modelling and Flow Simulation tools with many clients:

- ◆ Aircraft flows (ground, approach and departure):
  - ◆ in Hong Kong (for the studies for the 3<sup>rd</sup> runway),
  - ◆ in Addis Ababa (study of departure delays and associated costs),
  - ◆ at the Paris-Charles de Gaulle Skyteam hub (impact of the new hub structure on the allocation of aircraft parking stands and aircraft movements), etc.;
- ◆ Passenger flows:
  - ◆ in Chengdu,
  - ◆ at Paris-Orly (check-in area 3 and study of the impact of BHS breakdowns, etc.),
  - ◆ in Zagreb (validation of the concept of functional separation of Schengen-non-Schengen flows, etc.),
  - ◆ in Acapulco, etc.

ADP Ingénierie strives to be an open-minded and agile company which places long-term relationships and client satisfaction at the heart of its concerns. The company constantly monitors new technologies with the potential to change the airport world and positions itself as the provider of solutions for tomorrow's airport.

## TAV Airports

On 16 May 2012, Aéroports de Paris acquired 38% of TAV Havalimanları Holding A.S. (TAV Airports).

## Description of TAV Airports

TAV Airports is a leading airport operator in Turkey. It operates 14 airports and directly manages 13 airports throughout the world: Istanbul Atatürk, Ankara Esenboga, Izmir Adnan Menderes, Antalya Gazipasa and Milas-Bodrum in Turkey, since 2014 for the domestic terminal and October 2015

for the international terminal, Tbilisi and Batumi in Georgia, Monastir and Enfidha in Tunisia, Skopje and Ohrid in Macedonia, Medina in Saudi Arabia since July 2012 and Zagreb airport alongside Aéroports de Paris Management since December 2013. TAV Airports also operates the shops at Riga airport in Latvia. The TAV Airport group's traffic increased by 2.0% in 2016, to 104 million passengers. The TAV Airports group's main airport, Atatürk, is Europe's 5<sup>th</sup> largest airport, with 60.1 million passengers in 2016, down 2%. TAV Airports is also an operator in other airport service areas, like duty-free, catering, ground-handling, IT, security, terminal lounges and notification and reception services. With a presence along the entire airport services value chain, the group's integrated economic model is pivotal to its performance and economic success.

The TAV Airports group includes:

- ◆ 10 main subsidiaries in airport management activities: TAV Istanbul, TAV Ankara, TAV Izmir, TAV Gazipasa, TAV Bodrum and TAV Macedonia, 100%-owned; TAV Georgia, 80%-owned; TAV Medinah, 33.3%-owned; TAV Tunisia, 67%-owned and MZLZ in Croatia, 15%-owned (indirectly);
- ◆ 3 main subsidiaries in services: ATU, specialised in duty free, 50% owned; BTA, specialised in restaurants, 67% owned; Havas, a ground-handling company, wholly-owned;
- ◆ 3 wholly-owned specialised services companies: TAV O&M, which manages airport lounges, TAV IT, which manages airport IT systems, and TAV Security, which provides security services.

The TAV Airports group published revenue<sup>1</sup> of €1,092 million in 2016 (up 1%), its EBITDA was €445 million (down 9%) and the net income attributable to the group was €127 million (down 39%).

## Governance

At 31 December 2016, TAV Airports' shareholder structure was as follows:

Shareholder	% of capital
Aéroports de Paris <sup>1</sup>	38.0%
Tepe Insaat Sanayi A. Ş.	8.1%
Akfen Holding A. Ş.	8.1%
Sera Yapı Endüstrisi ve Ticaret A. Ş.	2.0%
Other floating securities	3.5%
Free float	40.3%

<sup>1</sup> Through Tank ÖWA alpha GmbH, a wholly-owned subsidiary of Aéroports de Paris.

The TAV Airports Board of Directors consists of 11 members, including three appointed at the recommendation of Groupe ADP, three appointed on the joint proposal of Tepe Insaat and Akfen Holding, four independent directors and the Chief Executive Officer (Mr Sani Sener). The directors of Aéroports de Paris also take part in the Board of Directors' specialist Committees (Governance Committee, Risk Committee and Appointments Committee).

Under the terms of the agreements signed with Akfen Holding A.Ş. ("Akfen Holding"), Tepe Insaat Sanayi A.Ş. ("Tepe Insaat") and Sera Yapı Endüstrisi ve Ticaret A.Ş. ("Sera Yapı") (hereinafter "the Sellers") these companies committed to preserving the interests of the Aéroports de Paris. As a result, until the closure of the Istanbul airport, Tepe Insaat and Akfen Holding A.Ş. are only entitled to sell their shares to an "eligible purchaser" (i.e. a top-ranking Turkish company as defined in the agreements),

and Groupe ADP will then have a pre-emptive right, or on the market. The Chief Executive Officer, Sani Sener, agreed to a lock-up period until the closure of the Istanbul airport.

The sellers are also forbidden from selling their shares to a competitor (as defined in the agreements), and have signed a non-compete commitment with respect to the TAV Airports group.

## Tender offer for the new Istanbul airport

At the start of 2013, the Turkish Government launched a tender offer for the construction and management of the new Istanbul airport, which is expected to have an initial capacity of 70 million passengers per year and eventually 150 million.

At the close of the bidding process, the TAV Airports proposals were not selected.

TAV Airports and TAV Istanbul (wholly-owned by TAV Airports), which holds the lease on Istanbul Atatürk airport until 2 January 2021, were officially informed by the Turkish Civil Aviation Authority (Devlet Hava Meydanları İşletmesi or DHMI) that TAV Istanbul will be compensated for its loss of profit that may be incurred as a result of the opening of the new airport prior to the ending date of the current lease.

## Recent developments

### INAUGURATION OF THE EXTENSION OF THE INTERNATIONAL TERMINAL OF ATATÜRK AIRPORT

TAV Airports commissioned the extension of the international terminal of the Istanbul Atatürk airport in May 2016. The new building provides an additional 27,000 sq.m. and four additional boarding airbridges enabling the simultaneous operation of four Code E or eight Code C aircraft.

### PLANNED ACQUISITION OF 16.7% OF THE CAPITAL OF TIBAH (MEDINA AIRPORT) FROM SAUDI OGER

TAV Airports initiated negotiations with Saudi Oger Ltd for the acquisition of half of its 33.3% holding in the capital of Tibah Airports Development Company (Tibah Development) of which TAV Airports holds 33.3%. In the event that the acquisition is successful, TAV Airports' share would rise to 50%. The International Airport of Medina, which welcomed 6.6 million passengers in 2016, has been operated by Tibah Development since 2012 and for a period of 25 years.

### HAVANA AIRPORT DEVELOPMENT AND OPERATION PLAN

Groupe ADP, through Aéroports de Paris Management in association with TAV Airports and in a consortium with Bouygues Bâtiment International, a subsidiary of Bouygues Construction, after being informed on 4 August 2016 by an ACN<sup>2</sup> press release that the Cuban authorities had selected it to enter into exclusive discussions about the development project for the José Martí International Airport of Havana, signed an agreement with the Cuban authorities defining the steps and works to be carried prior to the signing of a concession agreement.

The development project for the Havana International Airport provides for the renovation, extension and operation of the existing international terminals in the short term.

These developments are intended to provide Havana with capacity in excess of 10 million passengers a year by 2020 although current traffic is only close to 5 million and that the announcements regarding the opening of air traffic, notably with the United States, point to quick growth in the airport's needs.

<sup>1</sup> Adjusted IFRS data.

<sup>2</sup> Agencias Cubanas de Noticias.

## ZAGREB AIRPORT FOOD & BEVERAGES CONCESSION

BTA, a 67% subsidiary of TAV Airports has been operating Food & Beverages outlets since 1 August 2016 and providing in-flight catering services at the Zagreb International Airport in Croatia. The concession is for 13 years and covers the operating rights of 16 catering facilities as well as the in-flight catering for 90 companies including Croatia Airlines. TAV Airports has held 15% of the consortium operating the Zagreb airport since 2013.

## THE FOOD & BEVERAGES CONCESSION AT THE MUSCAT AIRPORT AND LOUNGES IN THE AIRPORTS OF MUSCAT, WASHINGTON AND NAIROBI

BTA has also been announced as the preferred tenderer for the catering concession at the new Muscat International Airport in Oman. The concession will start in 2017 for a period of 10 years and include the operation of 20 points-of-sale (3,412 sq.m.). TAV Operations Services, a wholly-owned subsidiary, won the call for tenders for the 10-year concession for a passenger lounge of nearly 3,000 sq.m. at the new International Airport of Muscat in Oman. The lounge is in addition to the others already opened at the International Airports of Washington Dulles and Jomo Kenyatta in Nairobi.

## SITUATION OF TAV TUNISIA

Concession contracts for the operation of Monastir airport and the construction and operation of Enfidha were signed by TAV Tunisia on 18 May 2007 for 40 years. This is one of the largest public private partnerships in Tunisia, with total investment of some €550 million. This project was financed by TAV through equity contributions and borrowing from multilateral donors and commercial banks. The IFC and the South-African investment fund OFID are also 33% shareholders in TAV Tunisia.

Multiple exogenous events since 2009 have significantly reduced the level of tourist activity in areas served by Monastir and Enfidha airports (international financial crisis, regional geopolitical situation and recent terrorist attacks). Following the 2015 attacks, traffic was just 1.4 million passengers in 2015 and 1.6 million in 2016, compared to 3.3 million passengers in 2014.

The concessions have been in structural economic imbalance for several months, leading TAV Tunisia to issue the Tunisian authorities a proposal to implement a tripartite moratorium relating not only to concession fees but also to debt servicing, accompanied by a number of conditions necessary to ensure the proposal is accepted by the three parties.

Furthermore, while the creditors have given notice that their receivables are due, they have agreed to temporarily forgo debt collection to conduct negotiations with the Tunisian authorities when these fall due.

At 31 December 2016, the negotiations to agree on a moratorium were still in progress. They should be concluded during 2017.

## SITUATION IN TURKEY

The security environment deteriorated in Turkey in 2016. The country suffered several terrorist attacks, notably at Istanbul's Atatürk airport on 29 June 2016. An attempted *coup d'état* also took place in Ankara and Istanbul on the night of 16 to 17 July 2016.

## TAV Construction

On 16 May 2012, Aéroports de Paris acquired 49% of TAV Yatirim Holding A.S. ("TAV Investment", which owns TAV Construction, an unlisted company).

## Description of TAV Construction

Founded in 2003 by two historic shareholders in TAV Airports, TAV Construction specialises in the implementation of turnkey aviation projects. The interaction with TAV Airports, whose projects TAV Construction supports, allows the two companies to offer very competitive financial conditions and deadlines. TAV Construction also carries out direct aviation projects, often in partnership with major international players in the sector and local companies. It is currently the leading aviation construction company in the world in terms of revenue. TAV Construction is also diversifying into non-airport projects, such as the construction of skyscrapers and shopping malls and joined the Top 100 international construction companies in 2014, ranked 81<sup>st</sup> in terms of revenue generated abroad in 2016.

The main projects in 2016 were in:

- ◇ Abu Dhabi (construction of a 700,000 sq.m. terminal);
- ◇ Dubai (construction of the Damac towers);
- ◇ Turkey (construction of the Maar Square residential and commercial complex);
- ◇ Saudi Arabia (construction of aircraft maintenance hangars for Saudi Airlines and construction of Terminal 5 in Riyadh).

In 2016, TAV Construction won the call for tenders for the construction of a new terminal for the international airport in Bahrain.

At the end of 2016, TAV Construction's backlog stood at US\$1.1 billion.

The shareholder structure of TAV Investment, which owns 100% of TAV Construction, breaks down as follows:

Shareholder	% of capital
Aéroports de Paris <sup>1</sup>	49.0%
Tepe Insaat Sanayi A. Ş.	24.2%
Akfen Holding A. Ş.	21.7%
Sera Yapı Endüstrisi ve Ticaret A. Ş.	5.1%

<sup>1</sup> Through Tank ÖWA beta GmbH, a wholly-owned subsidiary of Aéroports de Paris.

The Board of Directors of TAV Investment is made up of five members, two of whom are appointed by Aéroports de Paris, two by Akfen Holding and Tepe Insaat, and the Chief Executive Officer of TAV Construction. The Sellers (see TAV Airports) have made the same commitments as those described above relating to TAV Airports.

TAV Construction's increased exposure to non-airport construction projects led Groupe ADP management to initiate the sale of its entire holding in TAV Yatirim Holding (TAV Investment) at the end of December 2016, that is, 49% of the capital of the holding which owns 100% of TAV Construction.

On 31 December 2016, the sale was considered highly probable and should, given the progress of negotiations with the potential buyers, be completed in 2017. In 2016, the shares of TAV Construction were depreciated then reclassified as "Assets held for sale" on 31 December 2016.

## Partnership with Schiphol Group

To anticipate future challenges in the air transport sector, Aéroports de Paris and NV Luchthaven Schiphol (Royal Schiphol Group), which is the operator for Amsterdam Airport Schiphol, created a long-term industrial cooperation and capital 8% cross-equity investment agreement at the end of 2008 that has created a leading alliance in the global airport industry. This industrial cooperation agreement between two of Europe's leading

airport groups for an initial duration of 12 years represents a strategic move<sup>1</sup> that is generating significant mutual benefits for both companies in several core areas of business. The alliance has been named "Hublink".

Schiphol Group had virtually stable revenue of €1,435 million in 2016. The net income attributable to the group was €306 million, down 18%.

## Strategic motivations

For aviation activities, the goal of the Hublink alliance is to:

- ◆ improve the competitiveness of the two groups through the consolidation of a dual hub which is a requirement to handle the competition from other hubs, notably in the Middle East;
- ◆ enhance the attractiveness of both groups through greater harmonisation of the lay-out and signalling at their terminals, and by the coordinated improvement of their passenger processes (check-in, information, and security);
- ◆ reinforce the relationship of the two groups with their largest customers, including the Air France-KLM Group;
- ◆ optimise their operational efficiency and reduce purchasing expenditure notably through volume pooling of some purchasing.

For non-aviation activities, the objective is to step up growth in retail, real estate and the digital airport thanks to the exchange of know-how (experiments, projects under way and recently completed projects to find synergies).

With respect to international development, Groupe ADP and Schiphol Group are continuing to share information on future international development opportunities and have adopted a coordinated approach for their future growth.

The two groups also intend to become front-runners in sustainable development, by combining their efforts to improve energy efficiency, developing the use of renewable energy, and reducing greenhouse gas emissions.

## Representation in the corporate bodies of the two companies

Edward Arkwright, the Chief Executive Director of Groupe ADP in charge of Development, Engineering and Transformation is one of the eight members of the Schiphol Group's Supervisory Board;

Jos Nijhuis and Els de Groot, respectively, Chief Executive Officer and Chief Financial Officer of Schiphol Group, have been appointed members of the Board of Directors of Aéroports de Paris<sup>2</sup>.

## Specific bodies of the alliance

The industrial cooperation agreement currently uses a simplified governance structure that is oriented towards efficiency: a number of priority areas of cooperation are defined annually by the Industrial Cooperation Committee (ICC).

## Achievements

The alliance between Aéroports de Paris and Royal Schiphol Group provides many benefits to both groups, in very diverse areas. Their respective teams work together on a regular basis on initiatives and joint projects and to discuss operational issues. The cooperation programme, led by the PMO (Program Management Office) of each group, aims to encourage exchanges and strengthen synergies between the two groups.

For instance, the handling of flights between Paris and Amsterdam has been improved by the introduction of dedicated waiting lines at the security check, and by broadcasting information in both languages at the gate.

2016 saw the continuation of projects launched in 2014 (including joint training, some of which Incheon and TAV were also involved in) and the development of joint purchasing projects, with:

- ◆ the implementation of a common framework agreement for the provision of snow removal equipment (snow cutters);
- ◆ the purchase of de-icing products (liquid potassium formate);
- ◆ the implementation of the joint framework contract for the supply of LED projectors following experiments with innovative dynamic lighting systems for the aircraft parking stands based on LED technology tested at Paris-Charles de Gaulle and Schiphol since 2014;
- ◆ the coordination of the purchasing strategies of the two groups together with operations in order to identify new joint purchasing opportunities for the future.

Workshops and exchanges of know-how between Groupe ADP management and their peers were held on a regular basis to activate or strengthen synergies. Among the teams involved were operations, innovation, information systems, human resources, legal, programmes and security.

Six priority areas of cooperation believed to be the greatest value creators were retained for 2017: the challenges of the digital airport, international, operations, purchasing, innovation and human resources. Furthermore, in January 2014, Aéroports de Paris and Schiphol Group renewed a four-year cooperation agreement with Incheon International Airport Corporation, the operator of Seoul's main airport, which includes studies which are updated biannually to foster the exchange of best practices.

## SDA Retail (Zagreb)

On 1 December 2014, Aéroports de Paris and Lagardère Duty Free, through their joint venture, Société de Distribution Aéroportuaire, acquired 100% of the share capital and voting rights of MZLZ - Trgovina d.o.o. (the subsidiary managing the retail spaces at Zagreb airport in Croatia), renamed SDA Retail.

SDA Retail's purpose is to operate shops at Zagreb airport for 15 years, and to exclusively market the main product categories listed below: alcohol, perfumes/cosmetics, tobacco and gourmet food.

The operation of the retail space takes place in two phases:

- ◆ the operation of two shops in the current terminal since 1 December 2014: a 600 sq.m. main airside Duty Free shop and a 47 sq.m. landside souvenir shop; then
- ◆ the operation, as of 2017, of the retail spaces in the new terminal, which will have a total capacity of 5 million passengers (versus 2 million passengers currently).

For Aéroports de Paris, also a shareholder in the company ZAIC-A, having won the concession for Zagreb airport and the operating and maintenance contract for the airport (through its subsidiary Aéroports de Paris Management and its holding in TAV Airports), this acquisition marked a major step in exporting all of the group's know-how abroad.

<sup>1</sup> See also the paragraph in Chapter 18 entitled "Alliance with the Schiphol Group".

<sup>2</sup> See Chapter 14 "Administration and executive management bodies".

## Other activities

The “other activities” segment covers all of the activities carried out by Aéroports de Paris subsidiaries that operate in security and telephony services, namely Hub Safe and Hub One.

(in millions of euros)	Revenue		EBITDA		Operating income from ordinary activities (including operating activities of associates)	
	2016	2016/2015	2016	2016/2015	2016	2016/2015
Hub One	144	+5.1%	22	+2.5%	8	+17.7%
Alyzia Sûreté	78	+0.8%	4	+9.9%	4	+8.0%
<b>TOTAL</b>	<b>223</b>	<b>+3.6%</b>	<b>29</b>	<b>+4.7%</b>	<b>14</b>	<b>+15.1%</b>

### Hub Safe

#### Presentation

Hub Safe, which is wholly-owned by Groupe ADP, operates in various airport security activities: passenger and cabin baggage security checks, staff security checks, road access control within airport airside areas, canine security using dogs for detecting explosives (baggage and cargo holds), event security and security training through its dedicated subsidiary, Hub Safe Training.

Thanks to its 1,498 employees and 50 dogs trained in explosives-detection, Hub Safe checks more than 15 million passengers and members of staff each year, with peaks of up to 55,000 persons per day, checks more than 1 million vehicles per year and conducts 2,500 safety checks on air cargo and items of mail per year.

Hub Safe has won the trust of demanding customers such as Groupe ADP at the Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports, Nantes Atlantique airport<sup>1</sup>, La Poste, Chronopost International and the International Air and Space Show and in 10 years has become the second-largest player in airport security in the Île-de-France region.

In addition, Hub Safe's expansion into event-related security has continued with the management in late 2015, on behalf of Viparis, of all security services for COP21 involving 230 employees and two canine security teams throughout the event.

Drawing on its experience and recent success, Hub Safe's goal over the next three years is to continue winning new contracts to become a national benchmark for airport security, events security and training, canine security and passenger services.

### Hub One

#### Presentation

Hub One, which is a wholly-owned subsidiary of Groupe ADP, is a group that provides information and communication technology services in professional environments.

Hub One designs and installs systems for the digitisation of activities, places and uses.

Hub One uses its airport experience to provide tailor-made solutions to the critical and real-time operating needs of key accounts, SMEs, sites with high visitors numbers, such as airports, and all of the companies and public and government services operating there, train stations, logistics chains and shopping malls.

Hub One's teams provide an end-to-end service, from the heart of the network to the terminal, and from rolling out systems in project mode to keeping them in working order.

Hub One offers solutions and expertise that combine the activities of fixed, radio and mobile telecoms operator, mobility and traceability integrator and all of the associated services.

In 2016, Hub One generated €144 million in revenue through its ten branches in France, 448 employees and 4,500 customers. The flexibility of its structure and its nationwide presence allow local customer support for all equipment and associated services needs.

Through its slogan, “One connection ahead”, Hub One demonstrates its desire to use technologies and its skills to serve its customers.

Its Telecoms activity is ISO 9001-certified.

## Legal and regulatory environment

### Chicago Convention

Signed in 1944, the Chicago Convention created the International Civil Aviation Organisation (ICAO), which has 191 member States. It is charged with establishing “recommended standards and practices” ensuring that every flight is managed in an identical and uniform manner within all States that are party to the convention. These cover all technical and operational aspects of international aviation and deal in particular with the characteristics of airports, landing areas and any other matter relating to the safety, security, efficiency and reliability of air travel.

### European Community regulations

Aéroports de Paris is subject to air transport rules, in particular:

- ◇ regulation (EC) No. 1008/2008 of 24 September 2008 establishing common rules for the operation of air services within the Community, which organises the liberalisation of air transport in Europe;
- ◇ directive (EC) No. 2009/12 of 11 March 2009 on airport fees;
- ◇ regulation (EEC) No. 95/93 of 18 January 1993, as amended, setting common rules with regard to the allocation of time slots;

<sup>1</sup> Following a call for tenders, in June 2015, Hub Safe Nantes, a wholly-owned subsidiary of HubSafe, was awarded the contract for all airport security services at Nantes Atlantique airport (over 4 million passengers) for a three-year period.

- ◇ directive (EC) No. 96/67 of 15 October 1996, which imposed the opening up to competition of ground-handling services;
- ◇ regulation (EC) No. 800/2008 of 11 March 2008 relating to the establishment of common rules in the field of civil aviation security;
- ◇ regulation (EC) No. 1107/2006 of 5 July 2006 concerning the rights of disabled persons and those with reduced mobility when travelling by air;
- ◇ directive (EC) No. 2002/30 of 26 March 2002 relating to the establishment of rules and procedures concerning the introduction of operating restrictions linked to noise, which will be superseded as from 16 June 2016 by regulation (EU) No. 598/2014 of the European Parliament and of the Council of 16 April 2014 on the establishment of rules and procedures with regard to the introduction of noise-related operating restrictions at Union airports within a balanced approach;
- ◇ regulation (EC) No. 216/2008 of 20 February 2008, as amended, relating to common rules in the field of civil aviation and also establishing the European Aviation Safety Agency, stipulated for airports by the Commission's implementing regulation (EU) No. 139/2014 of 12 February 2014, which establishes requirements and administrative procedures applicable to airfields.

## National legislation

Aéroports de Paris has exclusive rights to manage, operate and develop its airports for an indefinite period. It must comply with the common law provisions applicable to all airfield operators that derive mainly from the French transport code (codified legislative texts) and from the French civil aviation code (codified regulatory texts), under the specific conditions deriving mainly from the provisions of the law of 20 April 2005 and the obligations ensuing from its specifications (see below).

## Regulations relating to fees

Please refer to the paragraph in Chapter 6 on "Fees".

## Opening of airfields to public air traffic

All aircraft with the appropriate technical characteristics may use airfields operated by Aéroports de Paris. Airfields managed by Aéroports de Paris are open to public air traffic.

The civil aviation code classifies airfields intended for public air traffic into five categories, according to the nature of the traffic that the airfields need to handle. Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports are classified under category A, i.e. they are airfields intended for long distance services normally provided in all circumstances. The other airfields operated by Aéroports de Paris are classified under categories C, D or E.

## Works on airfields

Major transport infrastructure projects costing at least €83 million are subject to an assessment consisting in particular of an analysis of construction, operation and infrastructure conditions and costs, an analysis of funding conditions and the financial rate of return, and an analysis of the impact of this choice on existing transport facilities.

The creation or extension of category A runways at a cost in excess of €100 million requires a public consultation.

The construction work for a new airfield gives rise to the prior preparation of an impact study, and is preceded by a public enquiry.

Lastly, work on building, extending or substantially modifying airport infrastructure, the operation of which presents specific security risks to users and local residents, will be the subjective of a descriptive dossier accompanied by a security report, under the conditions laid down by a decree that has not yet been adopted.

The issuing of building permits relating to operations of national interest, such as development and construction work on areas assigned to airport public service, are the responsibility of the Government authorities.

## Ownership of Aéroports de Paris assets

Aéroports de Paris owns all of its assets in full, both land and infrastructure. However, the exercising of its property rights is restricted by law where a structure or land located within the airport field is required to enable Aéroports de Paris to carry out its public service obligations. In this case, the Government authorities may oppose the sale or transfer, or the creation of a lien over the structure or land, or authorise such operations only on condition that they do not prejudice the fulfilment of these obligations. The specifications determine the categories of land and structures concerned, which appear on the maps provided. The areas concerned represent around 67% of the total real estate area of the three airports, Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget. However, the restrictions to the exercising of property rights only affect 14% of the property reserves.

The Company must also notify the Minister in charge of Civil Aviation of any infrastructure operations, representing a built surface area of more than 10,000 sq.m., that it is planning to undertake or for which it is planning to provide authorisation to a third party on the land or in the immediate vicinity of Paris-Charles de Gaulle and Paris-Orly, and which would fall outside the scope of airport service. In this case, it would need to establish that these projects would not have an impact on the fulfilment of its public service obligations, and would be compatible with its anticipated development plans.

In the event of the closure to public air traffic of all or part of an airfield that it operates following a decision by the Government authorities, Aéroports de Paris will pay the Government authorities 70% of the difference between, on the one hand, the market value of buildings that are no longer assigned to airport-related public service and, on the other, the value of these buildings as recorded on the Company's balance sheet at 31 December 2004, plus costs linked to their upgrading and the closure of the airport facilities. The market value of the real estate assets will be determined by a committee of experts, which will apply methods currently used for evaluating real estate. The agreement only affects buildings that once belonged to the public domain of Aéroports de Paris or the Government authorities before their change of status.

The air space around and over the aerodromes is protected by means of aviation easements. These easements are intended to protect an airfield from obstructions, in such a way that aircraft can land and take-off there under good general conditions of safety and reliability. The aviation easements forbid the creation or require the removal of any obstacles that could constitute a danger for air traffic, and may lead to height restrictions for buildings. Warning beacon aviation easements involve an obligation to equip certain obstacles with visual or radio-electric devices intended to signal their presence to pilots.

Lastly, there is a protected area around the airports, within which building restrictions apply, laid down in particular by noise exposure plans designed to limit over time the number of local residents affected by noise pollution through the institution of town planning oversight<sup>1</sup>.

<sup>1</sup> See also Chapter 17 "Environmental data".

## Airport safety legislation

Aéroports de Paris holds the airport safety certificates required to operate Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports. The Company is required to provide an animal hazard prevention service aimed at adopting the appropriate measures to avoid collisions between aircraft and animals, including birds. It is also required to provide an aircraft rescue and fire-fighting service.

## Allocation of take-off and landing slots

A slot refers to the authorisation to use airport infrastructure on a specific date and at a specific time for the purpose of take-off and landing. Slots are not attached to routes but to carriers, and are allocated free of charge. A co-ordinator is responsible for allocating slots in line with the following rules: all slots allocated to a carrier for an aviation season are automatically reallocated to that carrier if they have been used for at least 80% of the period for which they were allocated (the rule known as “use-it-or-lose-it” rule) and if the carrier requests them again for the following equivalent season. Slots that remain available (returned by carriers or newly created), are placed in a “pool”, with half being allocated to new entrants and half to carriers already present at the airport. For Paris-Orly and Paris-Charles de Gaulle airports, which are described as “coordinated” airports, the co-ordinator is COHOR, the *Association pour la Coordination des Horaires* (Timetable Coordination Association), whose members are Aigle Azur, Air Caraïbes, Air France, Air Corsica, Corsair International, Europe Airpost, Hop!, Openskies, Transavia, XL Airways France, Aéroports de Paris, Aéroports de Lyon and Nice-Côte d’Azur Airport.

At Paris-Charles de Gaulle airport the number of time slots available for each aviation season is set by order of the Minister of Transport, in line with the capacity of the runway and terminal system. Overall aircraft activity is regulated by a weighted measured global indicator (WMGI), as the sound energy emitted annually at the airport should not exceed the average energy recorded over the period 1999-2000-2001. Activity at Paris-Charles de Gaulle airport is also subject to limitations between 12:30 am and 5:29 am for arrivals and between 12:00 am and 4:59 am for departures, and night-time slots lost are not re-allocated. At Paris-Orly airport, the total number of time slots is capped at 250,000 per year, around 33,000 of which are reserved for regional development or public service lines. The airport is subject to a daily night-time curfew between 11.30 pm and 6:00 am.

## Specifications

Aéroports de Paris’ specifications set out Aéroports de Paris’ specific obligations under its public service obligations. In particular, it defines the relationships between Aéroports de Paris and the various third parties at the group’s airports: passengers, the public, air carriers, aircraft operators, the Government and its institutions and services. With regard to this, Aéroports de Paris:

- ◆ assigns air carriers to terminals at a given airport and may assign air carriers between airports, after the air carrier has expressed an opinion and, in the case of a change of airport, the Minister in charge of Civil Aviation has given his/her assent;
- ◆ provides for access to and movement within airports, the reception of certain categories of passengers, the organisation of emergency services including a permanent medical team, the dissemination of

useful information to passengers and the public, and the conducting of passenger surveys. In the event of significant delays or disruption to traffic, Aéroports de Paris must deploy the resources required to provide assistance to passengers;

- ◆ manages airports so that the needs of airlines, their ground-handling service providers and Government authority services, within premises and facilities that are directly necessary for their activities, may be met within a reasonable timeframe. Aéroports de Paris establishes the operating rules for facilities and airport opening hours;
- ◆ in addition to services to Government administrations, provides the provider of aircraft navigation services with specific services, in line with the agreed terms and set out in appendix 1;
- ◆ is responsible for the checking of runways and taxiways, traction control and runway skid rating measurements and, under certain conditions, the regulation of aircraft movements within traffic areas;
- ◆ appoints qualified employees to enforce rules regarding the policing of airports and parking at airports, and also takes the appropriate measures to enhance security, whether this involves lighting or video surveillance;
- ◆ ensures, at the request of the Minister responsible for Health, the application of certain health regulations, and provides, under the same conditions, appropriate information for passengers going to or coming from geographical regions temporarily affected by an epidemic;
- ◆ ensures the application of environmental regulations and is responsible, in this capacity, for the measurement of noise and measurements relating to atmospheric pollutants, rainwater run-off and wastewater;
- ◆ issues authorisation for activity at airports to ground-handling service providers, air carriers that handle their own ground handling, and other companies engaged in industrial, commercial or craft activity.

The specifications enable the Government authorities to be informed about the Company’s economic and financial situation, in order in particular to monitor the implementation of the Economic Regulation Agreement. The Government authorities also monitor the Company’s use of the land and buildings it owns, in order, in particular, to ensure the satisfactory fulfilment of the public service obligations assigned to it<sup>1</sup>.

Article L. 6323-4 of the French Transport Code sets the method of calculation of the amount of any fine (“financial penalty”) that the Minister responsible for Civil Aviation may impose, after approval by a committee of experts chaired by a judicial or administrative magistrate, in the event of a failure by Aéroports de Paris to meet its specific obligations under the specifications. This amount must be proportionate to the severity of the breach, the scale of any loss and any advantage that may be gained, up to a maximum of 0.1% of revenues excluding tax of the preceding financial year, raised to 0.2% in the event of a further violation of the same obligation. Aéroports de Paris has the right to a hearing within the framework of the procedure initiated by the Minister, and may be represented or assisted. The specifications set out the applicable legal provisions. In addition, the Minister in charge of Civil Aviation and the prefects with police powers over the airports may, after providing formal notice, apply protective measures to Aéroports de Paris’ costs in the event of a “serious and persistent” failure by the Company to meet its obligations under the specifications.

<sup>1</sup> See also the paragraph in Chapter 6 entitled “Ownership of assets”.

## Other regulations

Aéroports de Paris is governed by the regulations that apply to publicly accessible premises.

Aéroports de Paris has been designated an operator of vital importance and in this connection is subject to the specific obligations of national defence.

In application of Community law, Aéroports de Paris provides assistance to passengers with disabilities or reduced mobility for accessing airport services and moving around facilities, including boarding and disembarking from aircraft.

Aéroports de Paris must participate in the implementation of health controls at borders under international health regulations.

Aéroports de Paris operates bus stations, as this term is defined in the French Transport Code.

The awarding of contracts with an estimated value excluding VAT of over €418,000 for goods and services contracts and €5.525 million for works contracts must be preceded by a public notice and competitive bidding procedure. Aéroports de Paris is an awarding authority as defined by European Community law.

In order to cover items relating to social and environmental responsibility in one Chapter, environmental information is now included in Chapter 17 of this Registration Document.

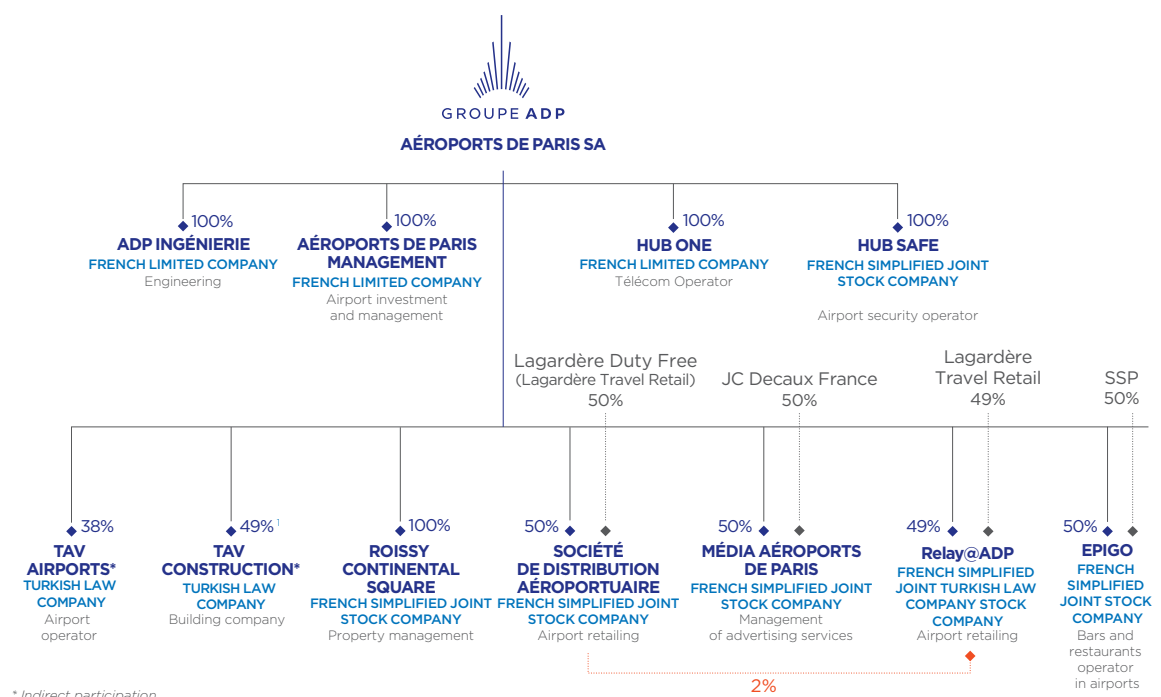


# ORGANISATION CHART

## 7.1 SIMPLIFIED GROUPE ADP ORGANISATION CHART AS AT 31 DECEMBER 2016

Only companies with significant business activities within the group (percentages listed for each entity correspond to the share of ownership interest, held directly or indirectly, in the capital of the company concerned and the voting rights) are presented below in the simplified organisational

chart. All companies liable to be consolidated within the group's results are mentioned in document 19 of the Appendix to the consolidated financial statements presented in chapter 20.



<sup>1</sup> See also "TAV Construction" in Chapter 6.

The greater part of the group's business is directly exercised by Aéroports de Paris, which also owns the main assets required for the group's activities. The most significant activities of Aéroports de Paris and its subsidiaries are described in Chapter 6, and financial information concerning these companies appears in Chapter 9.

Aside from financial flows related to cash centralisation agreements, existing financial flows between Aéroports de Paris and its subsidiaries are related to dividends received and distributed within the group.

The group's policy is only to agree financial guarantees on behalf of 100% owned subsidiaries. At 31 December 2016, several guarantees were granted by Aéroports de Paris SA on behalf of ADP Ingénierie for the benefit of various customers of this subsidiary. These guarantees are included in off-balance sheet commitments<sup>1</sup>.

The main flows between Aéroports de Paris and its subsidiaries are described in notes 6.2, and 10.1 of the notes to the Company financial statements in Chapter 20. The list of French and foreign subsidiaries and investments owned by Aéroports de Paris is presented in note 19 to the consolidated financial statements in Chapter 20.

The increase in TAV Construction's exposure to non-airport building projects have led Groupe ADP's management to engage, at the end of December 2016, the sale of its 49%-stake in the holding company (TAV Yatirim Holding - TAV Investment) that owns 100% of TAV Construction. As at 31 December 2016, this sale was considered as highly probable and should occur in 2017, taking into account the progress of the negotiations process with potential buyers. As a consequence, Groupe ADP's stake in TAV Construction has been impaired and has been reclassified under "Assets held for sale" as at 31 December 2016.

<sup>1</sup> For more information, see note 15 in the appendix to the consolidated financial statements presented in Chapter 20.



08

## REAL ESTATE ASSETS AND FACILITIES

### 8.1 REAL ESTATE ASSETS AND FACILITIES 76

Fixed assets and movable assets owned or used by Aéroports de Paris 76

Retrocession of a portion of gains that may be made from the closing of all or part of an aerodrome operated by Aéroports de Paris to public air traffic 77

### 8.2 ENVIRONMENTAL CONSTRAINTS 77

## 8.1 REAL ESTATE ASSETS AND FACILITIES

### Fixed assets and movable assets owned or used by Aéroports de Paris

At the date of filing of this Registration Document, the fixed assets of Aéroports de Paris are composed of land totalling 6,686 hectares that were declassified and allocated to Aéroports de Paris starting on 22 July 2005 in application of Article 2 of Law No. 2005-357 of 20 April 2005. On this land, 4,977 hectares are the footprint for land and projects necessary for the execution of public service missions or development of such missions which, in application of Article 53 of the specifications booklet of Aéroports de Paris, for which the ministry in charge of Civil Aviation has the right of refusal on any contribution, sale or creation of security concerning certain lands, and the improvements belonging to Aéroports de Paris. These lands are defined in drawings appended to the specifications<sup>1</sup>. They mainly consist of aeronautic surfaces (runways, taxiways and parking aprons) and related overrun areas as well as terminal buildings and building sites.

The group's real-estate assets include airport infrastructures (roads, networks, etc.) and passenger terminals. They are detailed in Chapter 6, in the paragraph entitled "Description of Aéroports de Paris platforms". The real estate assets of Aéroports de Paris also includes structures and buildings built on these lands or sometimes on lands that Aéroports de Paris is authorised to occupy under authorisations for temporary occupation of public property or private leases. In particular, Aéroports de Paris occupies seven hectares belonging to the City of Paris for the operation of the Issy-les-Moulineaux heliport and two hectares of runway lights or noise measurement devices rented from private owners. Some buildings or structures built by third parties on lands that Aéroports de Paris owns must be returned at the end of the agreement authorising the occupation of the land. Contracts entered into before the change of status of Aéroports de Paris have been transferred to Aéroports de Paris pursuant to Article 4 of the law of 20 April 2005.

<sup>1</sup> See also the paragraph in Chapter 6 entitled "Ownership of Aéroports de Paris assets".

In a bill of sale dated 25 March, 2015, Aéroports de Paris sold its registered office located at 291, bd Raspail - Paris 14<sup>th</sup> arrondissement, to *Centre National du Cinéma* et de l'Image Animée for €52 million, €25 million of which is payable in cash on the bill date and €25 million on the date of transfer of ownership, 1 July 2016, (a right of occupancy is granted until 31 March 2017), the balance of the sale price, i.e. €2 million covers certain guarantees.

At 31 December 2016, the net value of land and improvements (investment property included) totalled €117 million, buildings (investment property included) totalled €5,609 million and technical facilities and other (investment property included) amounted to €220 million and assets under construction (investment property included) totalled €824 million. Fixed assets and investment property are described in note 6 to the consolidated financial statements.

## Retrocession of a portion of gains that may be made from the closing of all or part of an aerodrome operated by Aéroports de Paris to public air traffic

The agreement entered into on 30 March 2006 between the Government authorities and Aéroports de Paris pursuant to Article 3 of the Law of 20 April 2005 provides that, for a 70-year period, in the event of the closing to public air traffic of all or part of an aerodrome operated by Aéroports de Paris, Aéroports de Paris will pay the government 70% of the difference between the effective market value of the buildings that are no longer assigned to airport public service, as well as the reference value of such buildings as indicated in the balance sheet assets at 31 December 2004 as approved by the General Meeting of Shareholders of Aéroports de Paris on 23 December 2005, plus costs related to their restoration and the closing of airport facilities. The assets that fall within the scope of this provision will then be determined by a committee of appraisers, who will also be asked to check that they have been valued correctly.

## 8.2 ENVIRONMENTAL CONSTRAINTS

Environmental restrictions may result from international, European or national laws and regulations (ICAO). As at the date of filing of this Registration Document, these constraints were compatible with the current and future use of the facilities of Aéroports de Paris. Only more

restrictive regulations could limit the capacities of use of the Aéroports de Paris airports beyond the current situation<sup>1</sup>.

<sup>1</sup> See the paragraph in Chapter 4 "Risks related to the business of Aéroports de Paris".

## REVIEW OF THE FINANCIAL POSITION AND INCOME <sup>AFR</sup>

<b>9.1 KEY FIGURES</b>	<b>79</b>	<b>9.3 HIGHLIGHTS OF THE 2016 FINANCIAL YEAR</b>	<b>85</b>
<b>9.2 ANALYSIS OF 2016 RESULTS</b>	<b>79</b>		
Analysis of Groupe ADP 2016 income statement	79		
Analysis by segment	82		

The consolidated financial statements of Aéroports de Paris for the financial years ended 31 December 2016 and 31 December 2015 were prepared in accordance with IFRS. The scope of consolidation is described in note 19 of the notes to the consolidated financial statements presented in Chapter 20. Unless indicated otherwise, the percentages mentioned in this report compare the data for the 2016 financial year with the data for the 2015 financial year<sup>1</sup>.

<sup>1</sup> See note 4.1 to the consolidated financial statements presented in Chapter 20.

## 9.1 KEY FIGURES

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015 restated<sup>1</sup></b>	<b>2016/2015</b>
Revenue	2,947	2,935	+0.4%
EBITDA	1,195	1,191	+0.4%
Operating income from ordinary activities (including operating activities of associates)	664	791	-16.1%
Operating income (including operating activities of associates)	696	791	-12.0%
Financial income	(115)	(106)	+8.7%
Associates from non-operating activities	59	6	+€53m
Income tax expense	(202)	(258)	+21.9%
<b>Net income attributable to the group</b>	<b>435</b>	<b>430</b>	<b>+1.2%</b>

## 9.2 ANALYSIS OF 2016 RESULTS

### Analysis of Groupe ADP 2016 income statement

Unless stated otherwise, percentages compare 2016 data with comparable 2015 restated figures<sup>1</sup>.

#### Revenue

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015 restated</b>	<b>2016/2015</b>
<b>Revenue</b>	<b>2,947</b>	<b>2,935</b>	<b>+0.4%</b>
Aviation	1,743	1,735	+0.5%
Retail and services	941	935	+0.7%
Real estate	263	265	-0.8%
International and airport developments	97	96	+1.0%
Other activities	223	215	+3.6%
Intersegment eliminations	(320)	(312)	+2.9%

**Consolidated revenue** of Groupe ADP was up by 0.4%, at €2,947 million in 2016, mainly thanks to:

- ◆ the increase in airport fees (+0.5%, to €1,003 million), driven by passenger traffic dynamics (+1.8%, in Paris Aéroport) combined with the increase in tariffs between 1 April 2015 and 31 March 2016 (+2.4%);
- ◆ the progression of the ancillary fees (+5.8%, to €220 million);
- ◆ the good performance of the rents from bars and restaurant (+24.6%, to €39 million) and from landside shops (+21.4%, to €18 million);

- ◆ and thanks to the growth in Hub One activities (+5.1%, to €144 million) and in Aéroport de Paris Management activities (+28.1%, to €23 million).

This favourable items are nevertheless offset by:

- ◆ the decrease in revenue from airport safety and security services (-1.4%, to €480 million), related to the defavourable base effect;
- ◆ and by the decrease in rents from airside shops (-4.0%, to €299 million).

Intersegment eliminations<sup>2</sup> amounted to €320 million in 2016.

<sup>1</sup> Restated figures are presented in Chapter 3.1 of this document and in note 4.1 to the consolidated financial statements presented in Chapter 20.

<sup>2</sup> Internal revenue realised between segments.

## EBITDA

(in millions of euros)	2016	2015 restated	2016/2015
<b>Revenue</b>	<b>2,947</b>	<b>2,935</b>	<b>+0.4%</b>
Operating expenses	(1,807)	(1,747)	+3.4%
<i>Consumables</i>	(113)	(110)	+3.1%
<i>External services</i>	(707)	(672)	+5.1%
<i>Employee benefit costs</i>	(698)	(712)	-1.9%
<i>Taxes other than income taxes</i>	(262)	(238)	+10.2%
<i>Other operating expenses</i>	(27)	(15)	+76.9%
Other incomes and expenses	56	4	+€52m
<b>EBITDA</b>	<b>1,195</b>	<b>1,191</b>	<b>+0.4%</b>
EBITDA/Revenue	40.6%	40.6%	-

**Operating expenses** increased by 3.4%, to €1,807 million over 2016, due to the effect of non-recurring expenses (see below) and due to the increase in local taxes that offsets the decrease in staff costs. The impact of identified non-recurring expenses amounted to €44 million (including, in particular, the impact of the launch of the new brand universe and the loyalty programme, of tax provisions and provisions for litigation, and of other non-recurring expenses). The operating expenses of parent-company increased by 2.7% in 2016.

Excluding these non-recurring expenses cited above, the growth of operating expenses for the group (+0.9%) and of the parent-company (stable) was under control.

The distribution of operating expenses is as follows:

- ◇ **consumables** were up by 3.1%, at €113 million, mainly due to the increase in Hub One activities (see below);
- ◇ the **costs related to external services** increased by 5.1%, to €707 million, notably due to non-recurring expenses linked with the launch of the new brand universe and the loyalty programme for about €10 million, and due to the increase in costs of maintenance and repairs;
- ◇ **staff costs** were down by 1.9% and stood at €698 million, thanks to the decrease in indirect staff costs. The average number of employees<sup>1</sup> stood at 8,947 in 2016, down by 0.7%<sup>2</sup>;

(in millions of euros)	2016	2015 restated	2016/2015
<b>Employee benefit costs</b>	<b>698</b>	<b>712</b>	<b>-1.9%</b>
<i>Aéroports de Paris</i>	553	571	-3.1%
<i>Subsidiaries</i>	145	141	+2.8%
<b>Average staff numbers (Full-Time Equivalent)</b>	<b>8,947</b>	<b>9,008</b>	<b>-0.7%</b>
<i>Aéroports de Paris</i>	6,478	6,553	-1.1%
<i>Subsidiaries</i>	2,469	2,455	-0.6%

◇ **taxes other than income taxes** were up 10.2%, at €262 million, mainly due to higher local taxes;

◇ **other operating expenses** were up 76.9%, at €27 million, mainly due to a negative base effect linked to a compensation of €4 million received in 2015.

**Other income and expenses** stood at €56 million, due to favourable non-recurring items, mainly identified during the first half of 2016, for

around €38 million, consisting of other products linked to resolution of old litigations and reversals of provisions and of depreciation of receivables.

As a consequence, **EBITDA** increased slightly (+0.4%, to €1,195 million), thanks to the control over the operating expenses, the favourable and unfavourable items offsetting each other.

The gross margin rate<sup>3</sup> for 2016 is stable compared to 2015, at 40.6%.

<sup>1</sup> Full-time equivalent.

<sup>2</sup> The average number of employees of the parent company decreased by 1.1% over 2016.

<sup>3</sup> EBITDA/Revenue.

## Net result attributable to the group

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015 restated</b>	<b>2016/2015</b>
<b>EBITDA</b>	<b>1,195</b>	<b>1,191</b>	<b>+0.4%</b>
Amortisation & Depreciation	(479)	(458)	+4.7%
Share in associates and joint ventures from operating activities after adjustments related to acquisition of holdings	(52)	58	-€110m
<i>Share of profit or loss of operating associates and joint ventures before adjustments related to acquisition of holdings</i>	<i>3</i>	<i>105</i>	<i>-€103m</i>
<i>Adjustments related to acquisition of holdings in operating associates and joint ventures<sup>1</sup></i>	<i>(55)</i>	<i>(47)</i>	<i>+15.6%</i>
<b>Operating income from ordinary activities (including operating activities of associates)</b>	<b>664</b>	<b>791</b>	<b>-16.1%</b>
Other operating expenses and incomes	32	-	+€32m
<b>Operating income (including operating activities of associates)</b>	<b>696</b>	<b>791</b>	<b>-12.0%</b>
Financial income	(115)	(106)	+8.7%
Associates from non-operating activities	59	6	+€53m
<b>Income before tax</b>	<b>640</b>	<b>691</b>	<b>-7.4%</b>
Income taxes	(202)	(258)	-21.9%
<b>Net results from continuing activities</b>	<b>438</b>	<b>433</b>	<b>+1.2%</b>
Net income attributable to non-controlling interests	(3)	(3)	-1.5%
<b>Net income attributable to the group</b>	<b>435</b>	<b>430</b>	<b>+1.2%</b>

<sup>1</sup> Including depreciation and amortisation of PPA of associate.

Amortisation and depreciation increased (+4.7%, to €479 million) due to the investment programme, larger in 2016 than in 2015.

**Operating income from ordinary activities (including operating activities of associates)** was down 16.1%, at €664 million, penalised by the decrease in the share of profit from operating associates (-€52 million compared to €58 million in 2015) after adjustments due to participations.

**Operating income** is decreasing by only 12.0%, to €696 million, thanks to the capital gain of €31 million<sup>1</sup> linked to the disposal of the Parisian head offices.

The **net finance result** was a loss of €115 million, up by 8.7% mainly due to the unfavourable foreign exchange rates for international business.

The net debt/equity ratio decreased slightly and stood at 63% as at 31 December 2016 compared to 64% at the end of 2015<sup>2</sup>. Groupe ADP net debt was up and stood at €2,709 million as at 31 December 2016, compared to €2,627 million at the end of 2015<sup>3</sup>.

The **share of profit of non-operating associates** stood at €59 million, due notably to the completion of the sale of Groupe ADP's stake in Mexican airports operator OMA<sup>4</sup>, occurring in October 2016, which generated a capital gain of €58 million before tax (including the share of profit of associates until the date of transfer, for €5 million).

The **income tax expense** was down by 21.9%, at €202 million in 2016, due, on the one hand to the decrease in theoretical or "nominal" tax rate from 38% to 34.43%, for €25 million, and on the other hand, due to the impact on the deferred taxes of the lowering of the income tax rate in 2020 from 34.43% to 28.92%, that generated an income of €29 million in 2016.

The effective tax rate stood at 29.44% as at 31 December 2016, and at 33.7% excluding impact of the revaluation of deferred taxes.

Taking into account all these items, the **net result attributable to the group** increased slightly by 1.2%, to €435 million.

<sup>1</sup> Before tax, that is to say a capital gain of €20 million after tax.

<sup>2</sup> Pro forma (including current accounts with non-consolidated companies and debt related to the minority put option).

<sup>3</sup> Restated 2015 figures - see Chapter 20.

<sup>4</sup> See section 9.3 Highlights of the 2016 financial year.

## Analysis by segment

The definition of the different business segments is given in document 4.2 of the appendix to the consolidated financial statements.

### Aviation

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015 restated</b>	<b>2016/2015</b>
<b>Revenue</b>	<b>1,743</b>	<b>1,735</b>	<b>+0.5%</b>
<i>Airport fees</i>	<i>1,003</i>	<i>998</i>	<i>+0.5%</i>
<i>Ancillary fees</i>	<i>220</i>	<i>208</i>	<i>+5.8%</i>
<i>Revenue from airport safety and security services</i>	<i>480</i>	<i>486</i>	<i>-1.4%</i>
<i>Other income</i>	<i>40</i>	<i>43</i>	<i>-5.0%</i>
<b>EBITDA</b>	<b>488</b>	<b>469</b>	<b>+4.1%</b>
<b>Operating income from ordinary activities (including operating activities of associates)</b>	<b>186</b>	<b>181</b>	<b>+3.0%</b>
<i>EBITDA/Revenue</i>	<i>28.0%</i>	<i>27.0%</i>	<i>+1.0pt</i>
<i>Operating income from ordinary activities/Revenue</i>	<i>10.7%</i>	<i>10.4%</i>	<i>+0.3pt</i>

In 2016, aviation segment revenue increased slightly by 0.5% to €1,743 million.

Revenue from **airport fees** (passenger fees, landing fees and aircraft parking fees) was up slightly by 0.5%, at €1,003 million in 2016, benefiting from the growth in passenger traffic (+1.8%) and the increase in tariffs between 1 April 2015 and 31 March 2016 (+2.4%).

**Ancillary fees** are up by 5.8%, at €220 million, mainly thanks to the impact of the implementation, on 1 April 2016, of the fee for the provision of the sorting system for luggage in transfer in Paris-Charles de Gaulle airport (+23.2%, to €43 million) and thanks to the growth in revenue from the fee related to the provision of de-icing facilities (+19.6%, to €19 million).

**Revenue from airport safety and security services** are down by 1.4%, at €480 million, due to a negative base effect.

**Other income**, which mostly consists in re-invoicing the French Air Navigation Services Division and leasing associated with the use of terminals, decreased by 5.0% to €40 million.

**EBITDA** of the aviation segment was up, by 4.1% at €488 million. The gross margin rate increased by 1.0 point, and stood at 28.0%.

**Amortisation and depreciation** were up (+4.9%), at €302 million due to the investment programme, larger in 2016 than in 2015.

As a consequence, **the operating income from ordinary activities (including operating activities of associates)** was up by 3.0%, at €186 million, in 2016.

### Retail and services

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015 restated</b>	<b>2016/2015</b>
<b>Revenue</b>	<b>941</b>	<b>935</b>	<b>+0.7%</b>
<i>Retail activities</i>	<i>449</i>	<i>451</i>	<i>-0.5%</i>
<i>Car parks and access roads</i>	<i>175</i>	<i>176</i>	<i>-0.7%</i>
<i>Industrial services revenue</i>	<i>133</i>	<i>133</i>	<i>+0.6%</i>
<i>Rental income</i>	<i>146</i>	<i>141</i>	<i>+3.6%</i>
<i>Other income</i>	<i>38</i>	<i>34</i>	<i>+11.8%</i>
<b>EBITDA</b>	<b>527</b>	<b>540</b>	<b>-2.3%</b>
Share in associates and joint ventures from operating activities	1	8	-€7m
<b>Operating income from ordinary activities (including operating activities of associates)</b>	<b>409</b>	<b>440</b>	<b>-7.1%</b>
<i>EBITDA/Revenue</i>	<i>56.0%</i>	<i>57.7%</i>	<i>-1.7pt</i>
<i>Operating income from ordinary activities/Revenue</i>	<i>43.5%</i>	<i>47.1%</i>	<i>-3.6pt</i>

In 2016, revenue from retail and services was up by 0.7%, to €941 million.

The revenue from **retail** (rents received from airside and landside shops, bars and restaurants, banking and foreign exchange activities, car rental companies and revenue from advertising) was almost stable (-0.5%) in 2016, at €449 million:

- ◆ in this amount, the rents from airside shops stood at €299 million, down by 4.0%, as a result of the decrease in sales per passenger<sup>1</sup> (-8.0%, at €18.2);
- ◆ these effects are partially offset by the good performance of fees from bars and restaurants, increasing by 24.6% (to €39 million), following the rise in rents related to the takeover of some shops by the joint-venture EPIGO in February 2016, and thanks to the progression of activities of landside shops, up by 21.4% (at €18 million).

Revenue from **car parks** decreased slightly by 0.7% and stood at €175 million, mainly due to lower hourly earnings.

Revenue from **industrial services** (the supply of electricity and water) was almost stable (+0.6%), at €133 million.

**Rental revenue** (leasing of space within terminals) increased by 3.6%, to €146 million.

**Other revenue** saw an increase of 11.8%, to €38 million.

Media Aéroports de Paris<sup>2</sup> saw an increase of 4.0% of its revenue, at €54 million, thanks in particular to the positive impact of the Euro football cup. Its EBITDA was up by 12.3%, at €8 million and its net result by 9.7%, at €2 million.

**EBITDA** decreased by 2.3%, to €527 million. The gross margin rate decreased by 1.7 points, to 56.0%.

The share of profit from operating associates (Société de Distribution Aéroportuaire, Relay@ADP and EPIGO) was down by €7 million, to €1 million.

As a consequence, **operating income from ordinary activities (including operating activities of associates)** decreased by 7.1%, to €409 million.

## Real estate

(in millions of euros)	2016	2015 restated	2016/2015
<b>Revenue</b>	<b>263</b>	<b>265</b>	<b>-0.8%</b>
External revenue <sup>3</sup>	211	213	-1.2%
Internal revenue	52	52	+0.9%
<b>EBITDA</b>	<b>149</b>	<b>164</b>	<b>-9.0%</b>
Share in associates and joint ventures from operating activities	(2)	(13)	+€11m
<b>Operating income from ordinary activities (including operating activities of associates)</b>	<b>105</b>	<b>105</b>	<b>-</b>
EBITDA/Revenue	56.7%	61.9%	-5.2pt
Operating income from ordinary activities/Revenue	39.8%	39.4%	+0.4pt

In 2016, real estate revenue decreased slightly, by 0.8%, to €263 million.

**External revenue<sup>3</sup>** (€211 million) was down (-1.2%), due mainly to the negative effect of indexing revenue to the cost of construction index (ICC) on 1 January 2016<sup>4</sup>.

**Internal revenue** was up slightly (+0.9%), at €52 million.

EBITDA was down 9.0%, at €149 million, mainly due to the increase in local taxes. The gross margin rate stood at 56.7%, a decrease of 5.2 points.

Amortisation and depreciation decreased by 7.4%, to €43 million thanks to the review of some assets' lifespan.

The share of profit from operating associates was a loss of €2 million, compared to a loss of €13 million in 2015, related to the depreciation of studies linked to office projects for Cœur d'Orly in 2015.

As a consequence, **operating income from ordinary activities (including operating activities of associates)** was stable in 2016 compared to 2015, at €105 million.

09

<sup>1</sup> Sales of airside shops divided by the number of departing passengers.

<sup>2</sup> Media Aéroports de Paris is now accounted for according to the global integration and not as associate anymore. As a consequence, 2015 restated financial statements have been restated - see Chapter 20.

<sup>3</sup> Generated with third parties (outside the group).

<sup>4</sup> As at 1 January 2016, ICC is -0.4%. As at 1 January 2017, ICC is +0.5%.

## International and airports developments

(in millions of euros)	2016	2015 restated	2016/2015
<b>Revenue</b>	<b>97</b>	<b>96</b>	<b>+1.0%</b>
ADP Ingénierie	75	79	-5.1%
Aéroports de Paris Management	23	18	+28.1%
<b>EBITDA</b>	<b>3</b>	<b>(8)</b>	<b>+€11m</b>
Share in associates and joint ventures from operating activities after adjustments related to acquisition of holdings	(51)	63	-€114m
Share of profit or loss of operating associates and joint ventures before adjustments related to acquisition of holdings	4	110	-€106m
Adjustments related to acquisition of holdings in operating associates and joint ventures <sup>1</sup>	(55)	(47)	+15.6%
<b>Operating income from ordinary activities (including operating activities of associates)</b>	<b>(49)</b>	<b>54</b>	<b>-€103m</b>
EBITDA/Revenue	2.8%	-8.6%	11.4pt
Operating income from ordinary activities/Revenue	-50.4%	56.2%	N/A

<sup>1</sup> Including depreciation and amortisation of PPA of associates.

In 2016, revenue from International and airport developments increased by 1.0%, to €97 million driven by an increased activity of Aéroport de Paris Management. EBITDA stood at €3 million, up by €11 million in 2016 compared to 2015 which was penalised by provisions from ADP Ingénierie.

**ADP Ingénierie's** revenue was down 5.1%, at €75 million, due to a slowdown in activity for all the branches. EBITDA and operating income from ordinary activities (including operating activities of associates) posted a gain of €4 million (compared to losses of €5 million in 2015). At the end of December, the backlog for the 2017-2019 period amounted to €57 million.

**Aéroports de Paris Management** saw its revenue increase by 28.1%, to €23 million, mainly thanks to the Zagred contract and following the takeover of the concession of Santiago de Chile airport. EBITDA was null (stable compared to 2015) and its operating income from ordinary activities (including operating activities of associates) was a profit of €5 million (compared to €1 million in 2015).

Share of profit from operating associates (**TAV Airports, TAV Construction and Schiphol**) after adjustments related to the acquisition of holdings, was a loss of €51 million in 2016, compared to a gain of €63 million in 2015:

◇ **TAV Airports Group** achieved<sup>1</sup> an increase in revenue of 1%, to €1,092 million. EBITDA was down 9%, at €445 million. The net result

attributable to the group decreased by 39%, to €127 million, following the negative impact of the terrorist attacks in Turkey and the attempt of coup in 2016. The share of profit from TAV Airports stood at €48 million before adjustments related to acquisition of holding, and at -€1 million after adjustments;

◇ the increase in **TAV Construction's** exposure to non-airport building projects have led Groupe ADP's management to engage, at the end of December 2016, the sale of its 49%-stake in the holding that owns 100% of TAV Construction. As a consequence, Groupe ADP's stake in TAV Construction has been impaired by €45 million and has been reclassified under "Assets held for sale" as at 31 December 2016. The share of profit from TAV Construction was a loss of €67 million after adjustments related to acquisition of holding;

◇ **Schiphol's** revenue was almost stable, at €1,435 million. The net result attributable to the group stood at €306 million, down by 18% compared to 2015 due to an unfavourable base effect. The share of profit from Schiphol after adjustments related to acquisition of holding stood at €12 million, down by €7 million compared to 2015.

Operating income from ordinary activities (including operating activities of associates) for International and airport developments was consequently a loss of €49 million, compared to a gain of €54 million in 2015.

<sup>1</sup> Adjusted for IFRIC 12.

## Other activities

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015 restated</b>	<b>2016/2015</b>
<b>Revenue</b>	<b>223</b>	<b>215</b>	<b>+3.6%</b>
Hub One	144	137	+5.1%
Hub Safe	78	77	+0.8%
<b>EBITDA</b>	<b>29</b>	<b>27</b>	<b>+4.7%</b>
<b>Operating income from ordinary activities (including operating activities of associates)</b>	<b>14</b>	<b>12</b>	<b>+15.1%</b>
EBITDA/Revenue	12.9%	12.8%	+0.1pt
Operating income from ordinary activities/Revenue	6.4%	5.8%	+0.6pt

In 2016, revenue from other activities was up by 3.6% at €223 million. EBITDA was up 4.7%, at €29 million.

In 2016, **Hub One** saw its revenue increase by 5.1%, to €144 million, driven by the increased activity of the Mobility division. EBITDA amounted to €22 million, up by 2.5%. The operating income from ordinary activities increased by 17.7%, to €8 million.

Revenue generated by **Hub Safe** was slightly up by 0.8%, at €78 million. EBITDA stood at €4 million, up by 9.9% compared to 2015. The operating income from ordinary activities (including operating activities of associates) increased by 8.0%, to €4 million.

**The operating income from ordinary activities (including operating activities of associates)** of the segment was up strongly by 15.1%, at €14 million.

## 9.3 HIGHLIGHTS OF THE 2016 FINANCIAL YEAR

### Launch of news brands Groupe ADP and Paris Aéroport

On 14 April 2016, Aéroports de Paris launched its new traveller brand **Paris Aéroport** together with a strong commitment “Paris vous aime” and its new banner **Groupe ADP**, via:

- ◆ A single banner that unites all core businesses and subsidiaries in France and abroad and that reflects the ambitions of a group to be a world leader.
- ◆ A new brand aimed at travellers, rolled out in the Paris airports embodying our commitments in terms of customer care, services and commercial offering. This brand, more visible and coherent, will

accompany passengers throughout their journey in our terminals. It reflects the group's ambition of fostering a clear penchant for Paris and its commitment to the attractiveness of Paris.

#### A new signature: “Paris vous aime”

Paris Aéroport has a new promise for the world. “Paris vous aime” is a declaration of love and commitment to our travellers.

**The company name of the French limited company Aéroports de Paris is unchanged.**

## Change in passenger traffic

### Group stake-weighted traffic<sup>1</sup>

Group traffic		Groupe ADP stake	Stake-weighted traffic (million passengers)	2016-2015
Groupe ADP	Paris Aéroport	@ 100%	97.2	1.8%
	Zagreb	@ 20.8%	0.6	6.9%
	Jeddah-Hajj	@ 5%	0.4	6.8%
	Amman	@ 9.5%	0.7	4.4%
	Mauritius	@ 10%	0.4	10.6%
	Conakry	@ 29%	0.1	27.3%
	Santiago de Chile	@ 45%	8.6	11.3%
	TAV Airports Group	Istanbul Atatürk	@ 38%	22.8
Ankara Esenboga		@ 38%	5.0	7.7%
Izmir		@ 38%	4.5	-1.9%
Other airports <sup>2</sup>		@ 38%	7.3	5.5%
TOTAL GROUP EXCLUDING MEXICAN AIRPORTS			147.0	2.0%

### At Paris Aéroport

Paris Aéroport handled a total of 97.2 million passengers in 2016, an increase of 1.8% compared to the previous year. Paris-Charles de Gaulle Airport welcomed 65.9 million passengers (+0.3%) and Paris-Orly Airport 31.3 million (+5.3%). Traffic increased by 1.5% over the first half of the year, and by 2.1% over the second half.

Geographical breakdown of traffic is as follows:

Geographic split Paris Aéroport	2016 Change 2016/2015	Share of total traffic
<b>France</b>	<b>+1.1%</b>	<b>16.8%</b>
<b>Europe</b>	<b>+3.4%</b>	<b>43.9%</b>
<b>Other International</b>	<b>+0.4%</b>	<b>39.3%</b>
<i>Of which</i>		
<i>Africa</i>	+1.9%	11.0%
<i>North America</i>	+0.1%	9.7%
<i>Latin America</i>	+2.0%	3.2%
<i>Middle-East</i>	+3.6%	4.9%
<i>Asia-Pacific</i>	+6.7%	6.4%
<i>French Overseas Territories</i>	+4.8%	4.1%
<b>TOTAL PARIS AÉROPORT</b>	<b>+1.8%</b>	<b>100.0%</b>

International traffic (excluding Europe) was up slightly (+0.4%), with an increase in the following destinations: the French Overseas Territories (+4.8%), the Middle East (+3.6%), Latin America (+2.0%), Africa (+1.9%) and North America (+0.1%). Only Asia-Pacific was down (-6.7%) due to the decrease in traffic with Japan and Malaysia.

European traffic (excluding France) was up (+3.4%), driven by the dynamism of low-cost carriers.

Traffic within France was up (+1.1%).

The number of connecting passengers rose by 1.2%. The connecting rate stood at 23.9%, down by 0.1 points.

Air traffic movements (707,403) were up by 1.0%.

The connecting rate was up 0.9 points, at 83.8%.

Freight and postal activity increased by 1.2%, with 2,243,160 tonnes transported.

<sup>1</sup> Direct or indirect – excluding stake in Mexican airports, sold in October 2016. See below.

<sup>2</sup> Milas-Bodrum (Turkey), Croatia (Zagreb), Saudi Arabia (Medinah), Tunisia (Monastir & Enfidha), Georgia (Tbilissi & Batumi), and Macedonia (Skopje & Ohrid). On a regulated scope basis, including Milas-bodrum international terminal traffic in 2015, traffic of other TAV Group airports would be up by 0.5% in 2016 compared to 2015.

## Appointments within Groupe ADP

Following the appointment of Patrick Jeantet as Chairman and CEO of SNCF Réseau, Augustin de Romanet, Chairman and CEO of Aéroports de Paris SA – Groupe ADP has made the following appointments:

From 26 May 2016:

- ◆ Edward Arkwright has been appointed Deputy CEO — Development, Engineering and Transformation;
- ◆ Philippe Pascal has been appointed as Executive Director - Finance, Strategy and Administration;
- ◆ Guillaume Sauvé, Director of Engineering and Development, joins the Executive Committee. He will report to Edward Arkwright;
- ◆ Patrick Collard, Delegate Director, Office of the Chairman and member of the executive committee, will be in charge of the group's external relations the setting up of new head office, the management of official visits and of the Corporate Fondation Groupe ADP;
- ◆ Gisèle Rossat-Mignod, Director of Public Affairs, has also been appointed Chief of Staff to the Chairman & CEO.

Consecutively to these appointments, the executive committee comprises the following members:

- ◆ **Augustin de Romanet:** Chairman and Chief Executive Officer, the only corporate officer;
- ◆ **Edward Arkwright:** Deputy CEO - Development, Engineering and Transformation;
- ◆ **Laure Baume:** Executive Director, Chief Customer Officer;
- ◆ **Antonin Beurrier:** Executive Director, Chief International Officer;
- ◆ **Franck Goldnadel:** Executive Director, Chief Airports Operations Officer and Managing Director of Paris-Charles de Gaulle Airport;
- ◆ **Philippe Pascal:** Executive Director - Finance, Strategy and Administration;
- ◆ **Patrick Collard:** Delegate Director, office of the Chairman;
- ◆ **Serge Grzybowski:** Real Estate Director;
- ◆ **Didier Hamon:** Group Secretary General;
- ◆ **Alice-Anne Médard:** Human Resources Director;
- ◆ **Franck Meyrede:** Managing Director of Paris-Orly Airport;
- ◆ **Benjamin Perret:** Communications Director;
- ◆ **Guillaume Sauvé:** Director of Engineering and Development.

## Achievement of 2015 target for regulated ROCE at 3.8%

ROCE<sup>1</sup> (return on capital employed) of regulated scope stood at 3.8% after tax at the end of 2015, in line with the 2011-2015 target<sup>2</sup>.

Regulated<sup>3</sup> operating profit for 2015 stood at €309 million, €192 million after tax (tax rate of 38% in 2015) and the Regulated Asset Base stood at €5,090 million as at 31 December 2015.

## Restatement of 2015 financial statements for comparison with 2016

As a reminder, the change of the allocation keys for the regulated assets base, as proposed by ADP in January 2015<sup>4</sup> and confirmed by the Airport Consultative Committee (*Commission Consultative Aéroportuaire*), has an impact on the following segments' EBITDA and operating income from ordinary activities, including operating activities of associates for Aviation, Retail and services, and Real Estate segments as of 1<sup>st</sup> January 2016. The 2016 full-year accounts published on 22 February 2017 take into account this change in allocation keys.

In order to facilitate the reading and understanding of the group's performance in 2016 compared to 2015, restated financial statements for 2015<sup>5</sup> have been prepared and are presented in Chapter 3 of this document.

## Approval of 2016 aviation tariffs by the independent supervisory authority for aviation fees

Aéroports de Paris SA precises that the independent supervisory authority for aviation fees (ASI) has approved its aviation tariffs applicable for the period from 1 April 2016 to 31 March 2017. In accordance with applicable regulation, this approval is retroactive to 1 April 2016.

Following the ASI's decision of 2 August 2016 not to approve the initial tariffs proposal<sup>6</sup>, Aéroports de Paris submitted a new 2016 tariff grid which is slightly modified and takes into account ASI's remarks about a reduction of the landing fee applicable to aircrafts under 40 tons. This change is economically neutral for Aéroports de Paris revenues. The approved tariffs grid is available on Groupe ADP's website, at the following address:

<http://www.parisaeroport.fr/en/professionals/airlines-services/services-fees>

09

<sup>1</sup> Return On Capital Employed calculated as the operating income of the regulated perimeter after normative corporate tax compared to the regulated asset base (net book value at year-end of tangible and intangible assets within the regulated perimeter, increased by working capital of this perimeter).

<sup>2</sup> 2015 targets refined in the press release on the availability of the public consultation document on 19 January 2015 available on the [www.groupeadp.fr](http://www.groupeadp.fr) website

<sup>3</sup> EBITDA - Other incomes and expenses - Depreciation and Amortisation of fixed assets and operating provisions - Losses on transfer of assets - employee profit - haring. Reconciliation with the company financial statements is presented in annex A8 of the Economic Regulation Contract 2016-2020, available at [www.groupeadp.fr](http://www.groupeadp.fr), in the Finances section under Regulation.

<sup>4</sup> Please refer to the 2016-2020 ERA Public Consultation Document, available on [www.groupeadp.fr](http://www.groupeadp.fr)

<sup>5</sup> Including global integration of Média Aéroports de Paris, formerly accounted for as share of profit of associates from operating activities associates.

## Tariffs as of 1 April 2016

As of 1 April 2016, airport and ancillary fees tariffs (excluding fees for disabled and reduced-mobility passengers) are stable on average and on a like-for-like basis.

## Fulfilment of a share ownership scheme for employees

In the second half of 2015, the group committed itself to launch a share ownership scheme for employees, which was definitively realised during the first half of 2016. It included two facets: on the one hand the option for current and former employees of Aéroports de Paris and of subsidiaries which are part of the group savings scheme in its latest revised version and to retired and early retired staff having kept shares in group savings scheme, to acquire Company shares under preferential conditions, on the other hand a free and uniform allocation of twelve Company shares, to the same employees, which was allowed by the Extraordinary General Meeting of Shareholders of 3 May 2016 and implemented the same day by the Board of Directors. The share buyback programmes authorised by the General Meeting of Shareholders of 18 May 2015 was used by the Company for this share ownership scheme for employees.

## Double voting rights since 3 April 2016

Pursuant to article L. 225-123 of the French Commercial Code, certain shareholders are automatically be entitled to double voting rights since 3 April 2016.

## 2015 dividend voted at the Annual General Meeting

At the Annual General Meeting of Shareholders on 3 May 2016, a dividend payment of €2.61 per share for the 2015 financial year was voted. The ex-dividend date was fixed to 31 May 2016. Given that the payment of the interim dividend (€0.70) in December 2015, the dividend settlement (€1.91) was paid on 2 June 2016. This dividend corresponds to a payout ratio of 60% of the 2015 net income attributable to the group, unchanged since the 2013 financial year.

## Payment of the 2016 interim dividend

The Board of Directors of Aéroports de Paris has decided to implement a policy for the payment in cash of an interim dividend up until the financial year ending on 31 December 2020. For the 2016 financial year, this interim dividend amounts to €69 million, i.e. €0.70 per share. The ex-interim dividend date was 7 December 2016 and the interim dividend for 2016 was paid out on 9 December 2016.

## Update about discussions with the Vietnamese Authorities

On 7 March 2016, following press information relating to the authorisation given to Aéroports de Paris by the Vietnamese government to acquire a 20% stake in Airports Corporation of Vietnam (ACV), Aéroports de Paris again confirms that it has submitted pre-qualification documents as part of the consultation process organized a few months ago by the Vietnam Ministry of Transport and that it has been invited to negotiate exclusively with the Vietnamese authorities. The financial, industrial and governance conditions for the disposal of the 20% of ACV's equity capital offered for sale have not yet been defined. Hence, no binding offer has been proposed by Aéroports de Paris at this stage. As at 8 January 2017, Aéroports de Paris, ACV and the ministry of Transports have signed a non binding term sheet defining some principles of the acquisition of stakes.

## Exclusive talks with the Cuban authorities concerning the development of Havana International Airport

Groupe ADP, through Aéroports de Paris Management in association with TAV Airports, and in consortium with Bouygues Bâtiment International, subsidiary of Bouygues Construction, indicates that it has been informed by way of a press release from ACN<sup>1</sup> that the Cuban authorities had selected it to enter into exclusive talks concerning the project for the development of José Martí International Airport, Havana, under a concession contract, and salutes this decision.

The Havana International Airport development project provides - notably in the short term - for the renovation, the extension and the operation of the existing international terminals.

These developments will aim to provide Havana with a handling capacity of over 10 million passengers per year from 2020, while current traffic is close to 5 million passengers and the announcements of the opening up of air traffic, notably to the USA, hold out the prospect of rapid growth in capacity requirements at the airport.

The project also ultimately includes the development of the San Antonio de los Baños aerodrome, to the west of the capital.

## Conversion of SETA shares into Mexican airport operator OMA shares and sale of shares while maintaining the technical assistance and operational mission with SETA

On 6 October 2016, Groupe ADP announced that it had informed Empresas ICA (BMV: ICA) and Grupo Aeroportuario del Centro Norte, known as OMA (NASDAQ: OMAB; BMV: OMA) which operates 13 international airports in Central and Northern Mexico, of its decision to exercise its option to exchange its 25.5% shareholding in Servicios de Tecnología Aeroportuaria S.A. de C.V. (SETA), the strategic partner of OMA, for OMA's B shares, for 4.3% (approximately 3.2% net of taxes) of OMA's total shares, held by SETA.

<sup>1</sup> *Agencias Cubanas de Noticias.*

On 10 October 2016, Groupe ADP announced the completion of the sale of its 4.3% (approximately 3.2% net of taxes) equity interest in OMA through an international private placement, realised with Goldman Sachs as sole bookrunner. Since the completion of the transaction, Groupe ADP is no longer a shareholder either in SETA or OMA.

Groupe ADP was extremely satisfied with its strategic partnership with OMA through its SETA joint-venture with ICA, since 2000.

Groupe ADP, ICA and SETA intend to maintain a relationship, through which Groupe ADP will continue to provide technical assistance and operational services to SETA under appropriate service arrangements. A member of Groupe ADP will represent SETA on the Board of Directors of OMA until the next Annual Shareholders' Meeting.

## Proposed disposal of TAV Construction

The increase in TAV Construction's exposure to non-airport building projects have led Groupe ADP's management to engage, at the end of December 2016, the sale of its 49%-stake in the holding company (TAV Yatirim Holding - TAV Investment) that owns 100% of TAV Construction.

As at 31 December 2016, this sale was considered as highly probable and should occur in 2017, taking into account the progress of the negotiations process with potential buyers. As a consequence, Groupe ADP's stake in TAV Construction has been impaired by €45 million and has been reclassified under "Assets held for sale" as at 31 December 2016.

## Disposal of the Parisian head office building

The group concluded a disposal agreement in March 2015 on its headquarters building located in Paris. As this agreement provides a deferred ownership transfer as of 1 July 2016, this transaction will generate

a gain on disposal for an amount of approximately €20 million after tax accounted for on the second half of 2016.

## Revision of TAV Airports 2016 forecasts

On 27 July 2016, because of security related incidents experienced both in Turkey and globally since then, passenger numbers and passenger mix is affected and TAV Airports has revised its 2016 guidance:

- ◆ 20% decrease in Istanbul Ataturk international Origin and Destination passenger traffic in 2016 compared with 2015;
- ◆ stable revenue in 2016 compared with 2015; 2016 published revenue: €1,092m (+1%, compared with 2015);
- ◆ 8-10% decrease in EBITDAR in 2016 compared with 2015; 2016 published EBITDA: €445 (-9% compared with 2015);
- ◆ significant decrease in Net Profit in 2016 compared with 2015; published net profit: €127m (-39% compared with 2015).

TAV Airports advised that all measures are taken to limit the decline in operational metrics and strict cost control measures are being implemented in response to the new situation.

As a reminder, 2016 forecast previously published on 12 February 2016, under normal conditions, were as following:

- ◆ growth in traffic previously expected between 7 to 9% for TAV Airports and for Istanbul Ataturk airport;
- ◆ growth in revenue previously expected between +7% and +9%;
- ◆ growth in EBITDAR previously expected between +7% and +9%;
- ◆ growth in NRAG previously expected between +10% and +12%.

## Revision of Groupe ADP 2016 forecasts that occurred in 2016

	2016 forecasts initially published in February 2016	Updated 2016 forecasts 28 July 2016	Updated 2016 forecasts 10 October 2016
<b>Traffic growth assumption</b>	<b>+2.3% compared to 2015</b>	<b>+2.3% compared with 2015</b> (unchanged)	<b>Between +1.0% and +1.5% compared with 2015</b>
<b>Consolidated EBITDA</b>	<b>Slight growth</b> compared with 2015, in line with the 2016-2020 EBITDA growth trajectory of 30% to 40% in 2020 compared with 2014	<b>Slight growth</b> compared with 2015	<b>Stable</b> compared with 2015
<b>Net income attributable to the group</b>	<b>Growth equal to or above 10%</b> compared with 2015, including the effect of the gain from the sale of the current headquarters (estimated at €20 million after tax)	<b>Slight decline in net income attributable to the group year-on-year in 2016, combined with slight organic growth</b> (excluding (i) the gain on the sale of the current headquarters, and (ii) the impact of the share of operating income of companies accounted for using the equity method in the international segment and airport developments)	<b>Slight decline in net income attributable to the group year-on-year in 2016</b>
<b>Dividend for 2016</b>	<b>Payout ratio to be maintained at 60% of NRAG</b> <b>Interim dividend payment planned for December 2016</b>	<b>Payout ratio to be maintained at 60% of NRAG</b> <b>Interim dividend payment scheduled for 9 December 2016</b> (unchanged)	<b>Payout ratio to be maintained at 60% of NRAG</b> <b>Interim dividend payment scheduled for 9 December 2016</b> (unchanged)

The revision of the Groupe ADP's 2016 net income guidance in July 2016 was attributable chiefly to the difficulties of our international holdings. The revision of the Groupe ADP's 2016 EBITDA and net income guidance in October 2016 was attributable to (i) traffic growth at Paris Aéroport this summer and (ii) TAV Construction's difficulties.



10

## EQUITY AND CASH FLOWS <sup>AFR</sup>

<b>10.1 SHAREHOLDER EQUITY</b>	<b>90</b>	<b>10.4 FINANCIAL RISK MANAGEMENT</b>	<b>92</b>
<b>10.2 CASH FLOW</b>	<b>90</b>	<b>10.5 GROUP COMMITMENTS</b>	<b>92</b>
Cash flows from operating activities	91	Investment commitments	92
Cash flow from investing activities	91	Off-balance sheet commitments	92
Cash flow from financing activities	91	Employee benefit obligation	92
<b>10.3 INDEBTEDNESS</b>	<b>92</b>		

### 10.1 SHAREHOLDER EQUITY

Group shareholders' equity was €4,284 million at 31 December 2016 compared with €4,125 million at 31 December 2015 (restated accounts). The main changes in 2016 stem from the 1.2% increase in 2016 net income, to €435 million and the distribution of a dividend for 2015 of €2.61 per share, or €258 million, corresponding to a net income distribution rate of 60%.

### 10.2 CASH FLOW

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015 restated<sup>1</sup></b>
Cash flows from operating activities	875	987
Cash flows from investing activities	(624)	(416)
Cash flows from financing activities	(327)	(101)
<b>Change in cash flow</b>	<b>(76)</b>	<b>470</b>
Cash at opening	1,732	1,262
Cash at closing	1,656	1,732

<sup>1</sup> Restated data are presented in the Chapter 3.1 of this Registration document.

## Cash flows from operating activities

<i>(in millions of euros)</i>	2016	2015 restated
Operating income (including operating activities of associates)	696	791
Depreciation, amortisation and impairment losses	453	426
Other non-cash income and expenses	31	(67)
Net financial income other than cost of debt	(2)	8
<b>Operating cash flow before change in working capital and tax</b>	<b>1,178</b>	<b>1,159</b>
Change in working capital	(77)	62
Tax expenses	(226)	(233)
<b>Cash flows from operating activities</b>	<b>875</b>	<b>987</b>

## Cash flow from investing activities

<i>(in millions of euros)</i>	2016	2015 restated
Purchase of property, plant, equipment and intangible assets	(792)	(527)
Acquisitions of subsidiaries	(20)	(49)
Proceeds from sale of subsidiaries	71	5
Dividends received	70	58
Other cash flows from investing activities	47	97
<b>Cash flows from investing activities</b>	<b>(624)</b>	<b>(416)</b>

## Cash flow from financing activities

<i>(in millions of euros)</i>	2016	2015 restated
Proceeds from long-term debt	7	507
Repayment of long-term debt	(4)	(179)
Dividends paid to shareholders of the parent company	(258)	(311)
Other cash flows from financing activities	(72)	(119)
<b>Cash flows from financing activities</b>	<b>(327)</b>	<b>(101)</b>

Cash at closing is slightly down (-€76 million) in 2016 compared to 2015, to €1,656 million.

Cash flow from operating activities stood at €876 million, down €111 million compared with 2015, essentially due to the decrease in operating income from ordinary activities (including operating activities of associates) linked, among other things to the share of results of associates, TAV Airports and TAV Construction (see note 4.10.1 of consolidated financial statements, presented in chapter 20).

Cash flow from investing activities were up €208 million compared with 2015, to -€624 million, mainly due to the net increase in tangible and intangible investments, described in chapter 5 "Investments".

Cash flow from financing activities were up €218 million compared with 2015, to €328 million, mainly due to the quasi absence of debt emission or redemption flow in 2016 and of a decrease in dividend paid in 2016 compared to 2015

## 10.3 INDEBTEDNESS

Net debt breaks down as follows:

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015 restated</b>
Financial debt	4,484	4,483
Derivative financial instruments (liabilities)	20	19
<b>Gross financial debt</b>	<b>4,504</b>	<b>4,502</b>
Derivative financial instruments (assets)	(91)	(96)
Receivables and current accounts from associates	(58)	(55)
Cash and cash equivalents	(1,657)	(1,734)
Debt related to the minority put option	11	11
<b>Net financial debt</b>	<b>2,709</b>	<b>2,627</b>
<i>Net financial debt/EBITDA (leverage)</i>	<i>2.27</i>	<i>2.21</i>
<i>Net financial debt/equity (gearing)</i>	<i>63%</i>	<i>64%</i>

The net debt/equity ratio stood at 63% as at 31 December 2016 compared with 64% at the end of 2015 (restated)<sup>1</sup>. Group net debt stood at €2,709 million as at 31 December 2016 compared with €2,627 million at the end of 2015 (restated).

See also note 9.4 to the consolidated financial statements presented in Chapter 20.

## 10.4 FINANCIAL RISK MANAGEMENT

See paragraph "Management of financial risk" in Chapter 4 and in the note 9 in the notes to the consolidated financial statements presented in Chapter 20.

## 10.5 GROUP COMMITMENTS

### Investment commitments

The only investments covered by firm commitments by Aéroports de Paris are those described in the Economic Regulation Agreement (ERA). See Chapter 5, "Ongoing investments or investments with firm commitments".

### Off-balance sheet commitments

See note 15 to the consolidated financial statements presented in Chapter 20.

### Employee benefit obligation

See note 5.3 to the consolidated financial statements presented in Chapter 20.

<sup>1</sup> Pro forma (including current accounts with non-consolidated companies and debt related to the minority put option).



11

## RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

### 11.1 RESEARCH AND DEVELOPMENT

Given the business activity of Groupe ADP, Aéroports de Paris implements a specific research and development policy limited to its activities.

### 11.2 TRADEMARKS, PATENTS AND LICENCES

Aéroports de Paris owns 160 trademarks worldwide which differentiate the group's various business activities. It uses about 50 of these trademarks. Aéroports de Paris has fewer portfolio trademarks than the previous financial year due to the expiry of a number of trademarks whose term of protection was 10 years. Only those trademarks still of interest to Aéroports de Paris were renewed. The Company's main trademark, "Aéroports de Paris", featuring the graphic symbol juxtaposing the Eiffel Tower and the sun associated with it, is an essential component of the Company's image and heritage.

Some subsidiaries of Aéroports de Paris use their own specific trademark, including Hub One and Hub Safe. The group's main trademarks

are protected in France and in many other countries where the group operates.

Furthermore, as of the date of this document, Aéroports de Paris owned approximately 250 Internet domain names, including "adp.fr" and "aeroportsdeparis.fr" and had obtained the ".paris" extension used, in particular, by English-speaking passengers who are able to use the "airports.paris" address.

Aéroports de Paris may occasionally file patent applications, none of which are of any significance to the group. For example, in France and in some foreign countries, a patent for measuring the slipperiness of surfaced areas (runways and roads) was filed.



12

## INFORMATION CONCERNING TRENDS

### 12.1 RECENT EVENTS

January and February 2017 traffic figures  
Tariffs 2017 approval process completed  
Tariffs  
Bond redemption

94

94

94

94

94

CDG Express reaches a major milestone: agreement between Groupe ADP, SNCF Réseau and Caisse des Dépôts on the economic and financial model of the infrastructure management company

95

### 12.2 FORECASTS

Dividend distribution policy

95

95

## 12.1 RECENT EVENTS

### January and February 2017 traffic figures

In January 2017, Paris Aéroport welcomed 7.3 million passengers, an increase of 7.2% compared to January 2016. 5.0 million passengers travelled through Paris-Charles de Gaulle (+6.1%) and 2.3 million at Paris-Orly (+9.6%).

In February 2017, Aéroports de Paris saw 6.9 million passengers; an increase of 4.2% compared to February 2016. 4.6 million passengers travelled through Paris-Charles de Gaulle (+3.5%) and 2.3 million at Paris-Orly (+5.6%).

As a reminder, 2016 was a leap year. Traffic at Paris increased by 8.2% in February 2017 compared to February 2016 restated for traffic on 29 February 2016.

### Tariffs 2017 approval process completed

On 19 January 2017, Aéroports de Paris SA has taken note of the decision of the Autorité de Supervision Indépendante (ASI, Independent Supervisory

Authority) published on 19 January 2017 not to approve the proposed aviation fee tariffs applicable from 1 April 2017. The refusal of approval was primarily motivated by a technical consideration in the fee for the provision of the computerised check-in and boarding system (CREWS).

As a consequence, Aéroports de Paris SA proposed a modified tariffs grid (see below) that have been approved by the ASI on 20 February 2017.

### Tariffs

As of 1 April 2017, airport and ancillary fees (excluding fees for disabled and reduced-mobility passengers) will increase by 1.51%, except for the CREWS fee that will decrease significantly. Globally, the evolution will should therefore amount to +0.97% in average by 1 April 2017.

### Bond redemption

On 27 January 2017, Aéroports de Paris redeemed a mature bond with nominal value of CHF 200 million (€135 million), bearing interest at 2.50%.

## CDG Express reaches a major milestone: agreement between Groupe ADP, SNCF Réseau and Caisse des Dépôts on the economic and financial model of the infrastructure management company

For three years, Groupe ADP and SNCF Réseau, joined by Caisse des Dépôts in a single grouping in February 2016, have been fully mobilised to ensure the realisation of the CDG Express project, the non-stop express rail link between Paris and Paris-Charles de Gaulle Airport.

This project constitutes a major challenge for the competitiveness and the attractiveness of France, in particular, as part of the support for Paris's bids to host the 2024 Olympic Games and World Expo 2025. More than 100 engineers and technicians have been mobilised by the grouping's two industrial partners in order to enable the completion of the CDG Express link by 2023.

The French State, at the end of 2016, clarified the legislative framework within which the three partners will have to carry out their infrastructure management duties for the CDG Express link.

Groupe ADP, SNCF Réseau and Caisse des Dépôts have just provided the State with the details of this management company's economic and financial make-up, the main terms of which were incorporated in the notification of the French authorities to the European Commission under the rules relating to State aid. The scheme defines the key parameters of the economic balance of the future concession contract that will bind the infrastructure management company to the State, as well as those of the project's funding plan.

This major milestone enables the foundations to be laid for the creation of the infrastructure management company by the end of July, and to finalise the concession contract that will bind the infrastructure management company to the State.

This key step for the continuation of the project, combined with the publication today of the prefectoral order modifying the *déclaration d'utilité publique* (declaration of public utility) of CDG Express, make it possible to confirm that the project is in line for the CDG Express link to be opened by end of 2023.

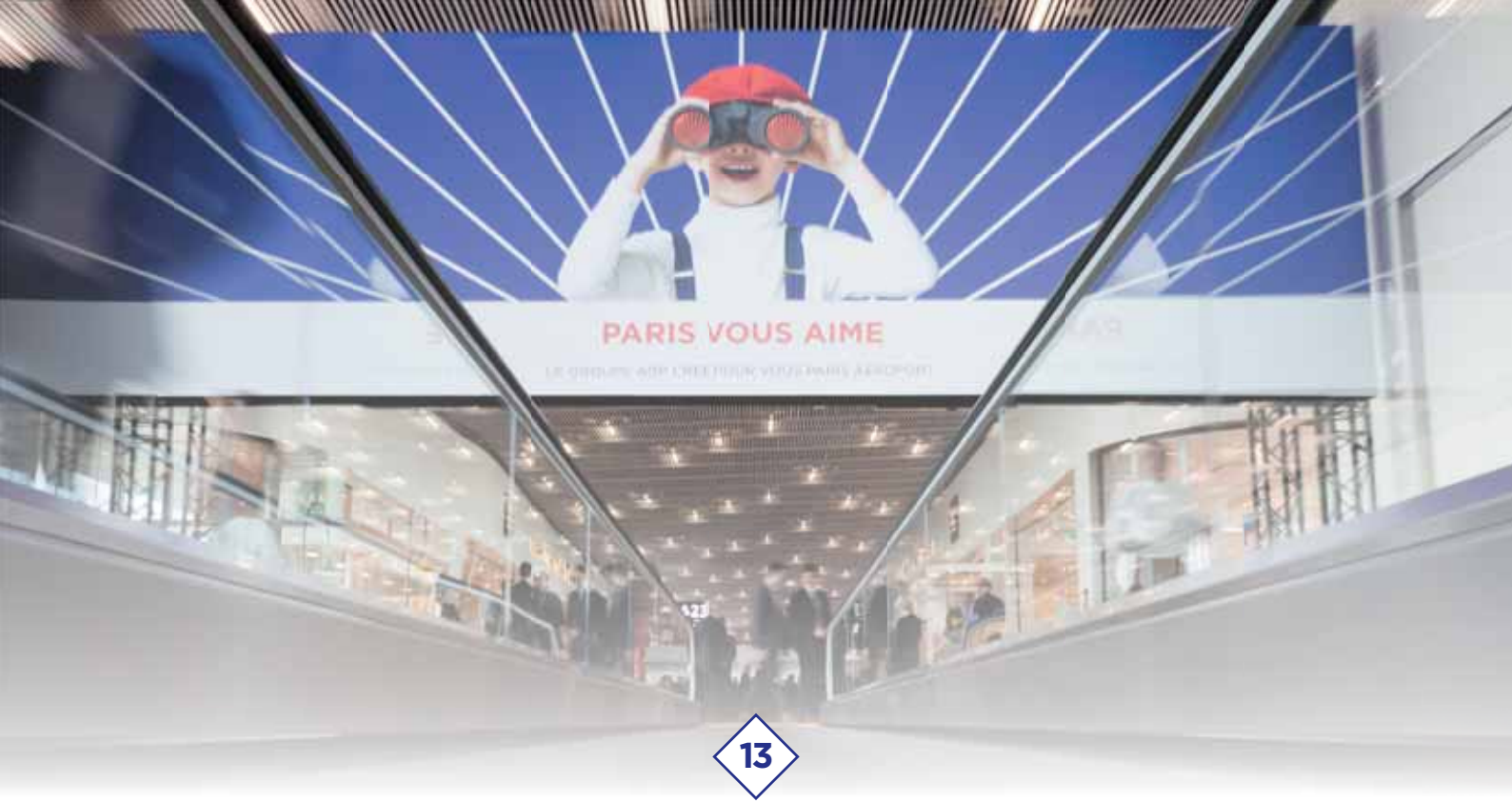
12

## 12.2 FORECASTS

### Dividend distribution policy

During its meeting on 22 February 2017, the Board of Directors approved the social and consolidated financial statements for the year ended 31 December 2016. The Board of Directors decided to propose a dividend payment of €2.64 per share for 2016, reduced by the interim dividend for 2016 of €0.70/share, paid out on 7 December 2016, at the next Annual Shareholders General Meeting, to be held on 11 May 2017. Subject to the

approval of the Annual General Meeting, the ex-dividend date would be on 7 June 2017, and payment would be made on 9 June 2017. This dividend corresponds to a payout ratio of 60% of the 2016 net income attributable to the group. As a reminder, the payout ratio was increased from 50% to 60% in 2013, for the 2012 financial year dividends.



13

## PROFIT FORECASTS

13.1	2016-2020 PERIOD GUIDANCES	96	13.3	REPORT OF THE STATUTORY AUDITORS ON THE PROFIT FORECAST	97
13.2	2017 GROUP FORECASTS	96			

### 13.1 2016-2020 PERIOD GUIDANCES

On the basis of a traffic growth assumption of 2.5% in average per year between 2016 and 2020

ROCE of the regulated scope	5.4% in 2020e
2020 consolidated EBITDA	+30 to +40% growth in consolidated EBITDA between 2014 and 2020e
Quality of service	Overall ACI/ASQ rating of 4 in 2020e
Retail	Sales per passenger of €23 on a full-year basis after delivery of the 2016-2020e projects
Parent company operating expenses	Limit the growth in parent-company operating expenses to a level below or equal to 2.2% in average per annum between 2015 and 2020
Real estate	Growth in external rents (excluding re-invoicing and indexation) ranging from 10% to 15% between 2014 and 2020e

### 13.2 2017 GROUP FORECASTS

2017 Forecasts	
Traffic growth assumption for 2017 in Paris Aéroport	Between +1.7 and +2.2% compared 2016
Consolidated EBITDA	In upward trend compared to 2016, favourably impacted by the exceptional incomes planned to date
Dividend for 2017	Maintaining 60% payout ratio, with a minimum dividend fixed at €2.64/share Interim dividend payment planned for December 2017

The forecasts for 2017 were established using the same accounting methods as those used to prepare the consolidated accounts at 31 December 2016. They are based on assumptions made by the group. The main assumptions are as follows:

- ◆ growth in passenger traffic of between 1.7% and 2.2% in 2017 compared to 2016;
- ◆ the absence of any significant events with the potential to decrease passenger traffic growth over the long term;
- ◆ the progression of airport fee rates at 1 April 2017 as stated in the 2016-2020 Economic Regulation Agreement signed with the government in August 2015;
- ◆ meeting the commitments undertaken in the Economic Regulation Agreement (available on [www.groupeadp.fr](http://www.groupeadp.fr));
- ◆ a minimum capital gain linked to buildings of the cargo hub;

- ◆ no significant change in the scope of consolidation.

The 2017 forecasts presented above are based on data, assumptions and estimates that the group management believes to be reasonable.

The data, hypotheses and estimates summarised above are liable to change or be modified due to uncertainties linked in particular to competition and the economic, financial, regulatory and climatic environment. Moreover, the occurrence of certain risks described in Chapter 4 "Risks linked to the activities of Aéroports de Paris" of the 2015 registration document, may have an impact on the group's activities and its ability to realise its objectives. In addition, the realisation of its objectives is based on the assumption that Aéroports de Paris successfully implements its commercial strategy described in the "Strategy" paragraph of Chapter 6 of the 2015 registration document. Aéroports de Paris therefore gives no undertaking, nor does it provide any guarantee, with regard to attainment of the objectives and guidance described above in this chapter.

13

## 13.3 REPORT OF THE STATUTORY AUDITORS ON THE PROFIT FORECAST

*This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.*

*This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.*

To the Chairman of the Board of Directors,

In our capacity as statutory auditors and in compliance with the EU Regulation 809/2004, we hereby report on the "consolidated EBITDA" forecast for Aéroports de Paris group which is included in paragraph "Forecast of the group for 2017" in chapter 13.2 of its Registration document.

In accordance with EU Regulation 809/2004 and the relevant ESMA (CESR) guidance, you are responsible for the preparation of this forecast and its principal underlying assumptions.

It is our responsibility to express our conclusion, pursuant to appendix 1, paragraph 13.2 of the EU Regulation 809/2004, as to the proper compilation of the profit forecast.

We have performed those procedures which we considered necessary in accordance with professional guidance issued by the national auditing body (Compagnie nationale des commissaires aux comptes). Our work consisted in an assessment of the preparation process for the profit forecast, as well as the procedures implemented to ensure that the accounting methods applied are consistent with those used for the

preparation of the historical financial information of Aéroports de Paris group. We also gathered all the relevant information and explanations that we deemed necessary to obtain reasonable assurance that the profit forecast has been properly compiled on the basis stated.

It should be noted that, given the uncertain nature of forecasts, the actual figures are likely to be significantly different from those forecast and that we do not express a conclusion on the achievability of these figures.

We conclude that:

- ◆ this profit forecast has been properly compiled on the basis stated;
  - ◆ the accounting methods applied in the preparation of the profit forecast are consistent with the accounting principles adopted by Aéroports de Paris group.
- This report is issued for the sole purpose of:
- ◆ the filing of the Registration Document with the French financial markets authority – the "Autorité des Marchés Financiers" (AMF),
  - ◆ and, if need be, the public offering in France and/or an offer to the public of shares or marketable securities with an unit nominal value of less than € 100,000 of Aéroports de Paris in France and other European Union countries in which the prospectus, as approved by the AMF, including this Registration document, will be published,
  - ◆ and may not be used for any other purpose.

Neuilly-sur-Seine and Paris-La Défense, March 17, 2017

The statutory auditors

DELOITTE & ASSOCIÉS

Thierry Benoît

Olivier Broissand

ERNST & YOUNG et Autres

Jacques Pierres

Alban de Claverie



# ADMINISTRATION AND EXECUTIVE MANAGEMENT BODIES

## 14.1 BOARD OF DIRECTORS <sup>AFR</sup>

Composition of the Board of Directors as at 31 December 2016  
Executive Management

98

98

110

## 14.2 PERSONAL INFORMATION CONCERNING THE MEMBERS OF THE BOARD OF DIRECTORS

110

Family ties, convictions, bankruptcies, conflicts of interest and other information

110

Conflicts of interest

110

Arrangements or agreements regarding the appointment of members of the Board of Directors

110

Restrictions concerning the sale of shares

111

## 14.1 BOARD OF DIRECTORS <sup>AFR</sup>

Since 22 July 2005 Aéroports de Paris has been a public limited company with a Board of Directors.

### Composition of the Board of Directors as at 31 December 2016

Since 15 July 2009, the company is managed by a Board of Directors composed of eighteen members in accordance with Article 6 of Law No. 83-675 of 26 July 1983 on public sector democratisation, and Article 13 of the Articles of Association of Aéroports de Paris.

Its 18 members belong to three categories: six directors appointed by the Annual General Meeting of Shareholders, six directors representing the French government and six directors representing employees.

Pursuant to Article 13 of the Company's Articles of Association, the mandate for directors and non-voting Board members thus came into effect on 15 July 2014, for a period of five years.

The shareholders, at their General Meeting of 15 May 2014, renewed the mandates of Augustin de Romanet, Jacques Gounon, Jos Nijhuis and Els de Groot and appointed Vinci, represented by Xavier Huillard, and Predica Prévoyance Dialogue du Crédit Agricole, represented by Françoise DEBRUS.

The directors representing the French government authorities are Solenne LEPAGE, Michel MASSONI, Geneviève CHAUX DEBRY, Muriel PÉNICAUD, Gilles LEBLANC, and Denis ROBIN.

The directors representing employees were elected on 20 May 2014, in line with the law of 26 July 1983 on the democratisation of the public sector, by the employees of Aéroports de Paris and certain subsidiaries. These director representatives are Brigitte BLANC (CGT), Marie-Anne DONSIMONI (CFE/CGC), Serge GENTILI (FO), Frédéric GILLET (CFE/CGC), Jean-Paul JOUVENT (UNSA/SAPAP) and Frédéric MOUGIN (CGT).

In application of the terms of Article 13 of the Articles of Association, Bernard IRION and Christine JANODEt were appointed as non-voting Board members by the Annual General Meeting of Shareholders on 15 May 2014. Anne Hidalgo was appointed as a non-voting Board member by the Board of Directors meeting of 8 July 2015; her appointment was approved by the Annual General Meeting of Shareholders of 3 May 2016.



The non-voting Board members attend meetings of the Board of Directors in an advisory capacity.

Article R. 251-1 of the French Civil Aviation Code makes provision for the minister in charge of civil aviation to appoint by decree a Government commissioner and a deputy Government commissioner entitled to sit on the Aéroports de Paris Board of Directors in a consultative capacity. Patrick Gandil, Director General of the French Civil Aviation Authority and Marc Borel, Director of Air Transport, were appointed Government Commissioner and Deputy Government Commissioner respectively at Aéroports de Paris by order of the civil aviation minister on 19 October 2007 and 15 June 2015.

Béatrice Julien de Lavergne, Economic and Financial Corporate Controller, who replaced Caroline Montalcino as of 20 July 2016, and Pascal Papaux, appointed Secretary of the Works Council, also attend Board meetings in a non-voting capacity.

The Board of Directors of Aéroports de Paris, in the interests of the Company, has a balanced structure to provide shareholders and the market with the assurance that they will carry out their duties independently and objectively.

The derogation from the recommendation of the AFEP-MEDEF Code for at least a third of directors in controlled companies to be independent is explained by the laws regarding the structure of the Board of Directors:

- ◆ the law relating to the democratisation of the public sector, reserving one third of seats on the Board for employee representatives elected by employees. These directors are not independent and according to

the Afep-Medef Code are not counted in the calculation of independent directors;

- ◆ the decree-law of 30 October 1935, which reserves for the French government a number of seats in proportion to its stake in the Company's capital, i.e. six members appointed by decree (these six directors cannot be deemed independent as the French government controls Aéroports de Paris);
- ◆ the other six members are appointed by the General Meeting of Shareholders. Four of these members are not considered to be independent within the meaning of the criteria stipulated in the AFEP-MEDEF Code.

Nevertheless, Aéroports de Paris strives to comply with the principles of good governance defined in the AFEP-MEDEF Code, in spite of legislative and regulatory constraints. The Board of Directors works to ensure that it functions correctly. The audit and risks committee and the Compensation, Appointments and Corporate Governance Committee are organised in such a way that:

- ◆ their chairmanship is entrusted to independent directors;
- ◆ the proportion of independent directors is met for the audit and risks committee;
- ◆ 50% of the members of the Compensation, Appointments and Corporate Governance Committee are independent. In its activity report of October 2014, the High Committee for Corporate Governance deemed the proportion mentioned above on this committee consistent with the spirit of the AFEP-MEDEF Code, provided that it is chaired by an independent director.

14

The mandate came into effect on 15 July 2014, for a period of five years.	Gender	Nationality	Independence as defined in the AFEP-MEDEF Code		Committee members		
			Non-independent	Independent	Audit and Risk Committee	Strategy and Investment Committee	Compensation Appointments and Corporate Governance Committee
DIRECTORS APPOINTED BY THE GENERAL MEETING OF SHAREHOLDERS							
Mr Augustin de Romanet	Male	French	Chairman and CEO				X
Mr Jacques Gounon	Male	French		Independent director	X		X
Ms Els de Groot	Female	Dutch	Corporate officer of Schiphol Group where an officer from ADP is present at the Board of Directors				
Mr Jos Nijhuis	Male	Dutch	Corporate officer of Schiphol Group where an officer from ADP is present at the Board of Directors				X
Vinci represented by Mr Xavier Huillard	Male	French	Significant business relationship				X
Predica represented by Ms Françoise Debrus	Female	French		Independent director	X		X
DIRECTORS REPRESENTING THE FRENCH GOVERNMENT							
Ms Solenne Lepage	Female	French	Majority shareholder		X	X	X
Ms Geneviève Chaux Debry	Female	French	Majority shareholder			X	
Ms Muriel Pénicaud	Female	French	Majority shareholder				
Mr Gilles Leblanc	Male	French	Majority shareholder				
Mr Denis Robin replacing Mr Michel Lalande	Male	French	Majority shareholder				
Mr Michel Massoni	Male	French	Majority shareholder				
DIRECTORS REPRESENTING EMPLOYEES							
Ms Brigitte Blanc (CGT union)	Female	French	Not included in the calculation				
Ms Marie-Anne Donsimoni (CFE/CGC union)	Female	French	Not included in the calculation			X	
Serge Gentili (FO union)	Male	French	Not included in the calculation		X		
Mr Frédéric Gillet (CFE/CGC union)	Male	French	Not included in the calculation				
Mr Jean-Paul Jouvent (UNSA/SAPAP union)	Male	French	Not included in the calculation				X
Mr Frédéric Mougin (CGT union)	Male	French	Not included in the calculation			X	

The derogation from the AFEP-MEDEF code recommendation regarding the rule on the minimum of one third independent directors in controlled companies is justified in the Chairman's Report, included in the Appendix.



## Directors appointed by the General Meeting of Shareholders

### // AUGUSTIN DE ROMANET

(Chairman and Chief Executive Officer of Aéroports de Paris, office renewed by decree of 24 July 2014)

#### DATE OF BIRTH:

2 April 1961

#### NATIONALITY:

French

#### DATE OF FIRST APPOINTMENT:

Co-opted by the Board of Directors on 12 November 2012 to replace Mr Pierre Graff, ratified by the General Meeting of Shareholders of 16 May 2013.

#### START DATE OF CURRENT MANDATE:

15 July 2014 (renewed by the General Meeting of Shareholders of 15 May 2014)

#### OTHER MANDATES AND DUTIES CURRENTLY HELD

##### AÉROPORTS DE PARIS GROUP

##### International and airport developments segment:

TAV Group, Turkish Sociétés Anonymes governed by Turkish law:

- ♦ TAV Havalimanlari Holding A.S. (TAV Airports), company listed in Turkey:
  - ♦ Director and Vice Chairman of the Board of Directors
  - ♦ Vice Chairman of the Governance Committee
  - ♦ Vice Chairman of the Risk Committee
  - ♦ Vice Chairman of the Appointments Committee
- ♦ TAV Yatirim Holding A.S. (TAV Investment):
  - ♦ Director and Vice Chairman of the Board of Directors
- ♦ TAV Tepe Akfen Yatirim Insaat Ve Isletme A.S.1 (TAV Construction)
  - ♦ Director and Vice Chairman of the Board of Directors

##### Retail and services segment:

- ♦ Média Aéroports de Paris, a French simplified joint stock company, joint venture with JC Decaux: Chairman and director
- ♦ Société de Distribution Aéroportuaire (SDA), a French simplified joint stock company, joint venture with Lagardère: member of the Board of Directors
- ♦ Relay@ADP, a French simplified joint stock company, joint venture with Lagardère: member of the Management Board

##### Corporate Foundation:

- ♦ Groupe ADP Corporate Foundation: Chairman

##### OTHER MANDATES

- ♦ Airport Council International (ACI) Europe, international non-profit organisation based in Belgium: Chairman of the Board of Directors and the Executive Committee
- ♦ Régie Autonome des Transports parisiens (RATP), public industrial and commercial establishment: director
- ♦ SCOR, listed European company:
  - ♦ Director,
  - ♦ Member of the Appointments and Compensation Committee
  - ♦ Member of the Strategic Committee
  - ♦ Member of crisis management
- ♦ Member of the Supervisory Board of Le cercle des économistes SAS, a French company

#### MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS

- ♦ Member of the Supervisory Board and the Audit Committee of NV Luchthaven Schiphol, a company governed by Dutch law, from February 2013 to October 2013
- ♦ Managing director of the Caisse des Dépôts et Consignations (Public financial institution - Public establishment) from March 2007 to March 2012
- ♦ Member of the Conseil des Prélèvements Obligatoires (the French Tax and Social Charges Board, an independent institution attached to the Cour des Comptes) from April 2008 to December 2012
- ♦ Permanent Representative of the Caisse des Dépôts et Consignations:
- ♦ Board of Directors of La Poste (a French limited company) and member of the Compensation and Governance Committees from April 2011 to March 2012
- ♦ Chairman of:
  - ♦ the Board of Directors of Egis (a French limited company) from January 2011 to July 2012
  - ♦ the Supervisory Board of the Société Nationale Immobilière - SNI (mixed economy limited company) from March 2007 to March 2012
  - ♦ the Executive Committee of the Fonds de Reserve des Retraites (FRR) (a public administrative institution) from March 2007 to March 2012
  - ♦ Board of Directors of the Fonds stratégique d'investissement - FSI (a French limited company) from December 2008 to March 2012
- ♦ Vice Chairman of the Investment Board of InfraMed (a simplified joint stock company) from May 2010 to August 2012
- ♦ Director of:
  - ♦ Musée du Louvre-Lens, public cultural cooperation establishment from February 2011 to February 2014
  - ♦ OSEO (a French limited company) and member of the Appointments and Compensation Committee, from December 2010 to March 2012
  - ♦ Veolia Environnement (a French limited company), from September 2009 to February 2012
  - ♦ FSI-PME Portefeuille (a simplified joint stock company) from March 2008 to April 2012
  - ♦ CNP Assurances (a French listed limited company) and member of the Compensation and Appointments Committee and Strategy Committee from July 2007 to March 2012
  - ♦ CDC Entreprises (a simplified joint stock company), from October 2007 to April 2012

14

<sup>1</sup> A subsidiary of TAV Yatirim Holding.

## // JACQUES GOUNON (Independent Director)

**DATE OF BIRTH:**

25 April 1953

**NATIONALITY:**

French

**DATE OF FIRST APPOINTMENT:**

Co-opted on 2 July 2008, ratified by the General Meeting of Shareholders of 28 May 2009

**START DATE OF CURRENT MANDATE:**

15 July 2014 (renewed by the General Meeting of Shareholders of 15 May 2014)

**OTHER MANDATES AND DUTIES CURRENTLY HELD**

◇ Chairman and Chief Executive Officer of Groupe Eurotunnel (GET SE) a European listed company

**Mandates held within the Eurotunnel Group (GET SE)**

- ◇ Chairman and CEO of France-Manche, French limited company
- ◇ Chairman of Eurotunnel Project, French SAS
- ◇ Chairman of Eleclink Limited, British company
- ◇ Director of The Channel Tunnel Group Limited, British company
- ◇ Director of Eurotunnel SE, European company incorporated under Belgian law

**MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS**

◇ None

## // JOS NIJHUIS

**DATE OF BIRTH:**

21 July 1957

**NATIONALITY:**

Dutch

**DATE OF FIRST APPOINTMENT:**

General Meeting of Shareholders of 28 May 2009

**START DATE OF CURRENT MANDATE:**

15 July 2014 (renewed by the General Meeting of Shareholders of 15 May 2014)

**OTHER MANDATES AND DUTIES CURRENTLY HELD**

- ◇ Chairman and CEO of Royal Schiphol Group – N.V. Luchthaven Schiphol (Dutch company)
- ◇ Member of the Supervisory Board of National Opera & Ballet (Netherlands)
- ◇ Member of the Supervisory Board and Chair of the Audit Committee of Volksbank NV (Netherlands)
- ◇ Member of the Amsterdam Economic Board (Netherlands)
- ◇ Member of the Board of Directors and of the Executive Committee of ACI Europe
- ◇ Member of the General Council and Executive Council of the Confederation of Netherlands Industry and Employers (VNO-NCW) (Netherlands)
- ◇ Member of the Supervisory Board of Stichting Leefomgeving Schiphol (Netherlands)
- ◇ Member of the Supervisory Board of Brisbane Airport Corporation PTY Ltd (Australia)
- ◇ Member of the Board of Cyber Security Council (Netherlands)
- ◇ Member of the Supervisory Board of Hotel Okura Amsterdam B.V.

**MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS**

- ◇ Member of the Supervisory Board and Chairman of the Audit Committee of Aon Group Nederland BV (Netherlands) from 2014 to December 2016



## // ELS DE GROOT

### DATE OF BIRTH:

27 April 1965

### NATIONALITY:

Dutch

### DATE OF FIRST APPOINTMENT:

Co-opted on 28 June 2012 to replace Mr Pieter Verboom, ratified by the General Meeting of Shareholders of 16 May 2013

### START DATE OF CURRENT MANDATE:

15 July 2014 (renewed by the General Meeting of Shareholders of 15 May 2014)

### OTHER MANDATES AND DUTIES CURRENTLY HELD

- ◆ Member of the Executive Board and Financial Director of Royal Schiphol Group – N.V. Luchthaven Schiphol (Dutch company)
- ◆ Member of the Supervisory Board and Chairwoman of the Audit Committee of “Beter Bed Holding”, a listed Dutch company
- ◆ Director of “Néoposine BV”, a Dutch non-listed company
- ◆ Member of the Supervisory Board and Chairwoman of the Audit Committee of “Vitens”, a non-listed Dutch company

### MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS

- ◆ None

14

## // XAVIER HUILLARD (Permanent representative of Vinci)

### DATE OF BIRTH:

27 June 1954

### NATIONALITY:

French

### DATE OF FIRST APPOINTMENT:

VINCI appointed as a director by the General Meeting of Shareholders of 15 May 2014

### START DATE OF CURRENT MANDATE:

15 July 2014

### OTHER MANDATES AND DUTIES CURRENTLY HELD

#### Mandates held within the Vinci Group:

- ◆ Chairman and CEO of VINCI, a French listed limited company
- ◆ Chairman of Vinci Concessions, SAS, French company
- ◆ Chairman of the Supervisory Board of VINCI Deutschland GmbH
- ◆ Permanent representative of VINCI, Director on the Board of Directors of:
  - ◆ VINCI Energies, a French limited company
  - ◆ La Fabrique de la Cité, Endowment Fund
- ◆ Director of Kansai Airports, Kabustiki Kaisha, Japanese company
- ◆ Permanent representative of SNEL, Director on the Board of ASF, a French limited company
- ◆ Permanent representative of VINCI Autoroutes, Director on the Board of Cofiroute, a French limited company,
- ◆ President of Fondation d'entreprise VINCI pour la Cité

#### Other mandates:

- ◆ Chairman of l'Institut de l'Entreprise
- ◆ Vice-Chairman of the Aurore Association

### MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS

- ◆ Non-voting member of the Board of Directors of Aéroports de Paris, from 01/12/13 to 14/07/14.

#### Mandates that had expired within the VINCI Group

- ◆ CEO of Vinci from 2006 to 2010
- ◆ Permanent representative of Vinci, director on the Board of Directors of Eurovia, a French non-listed joint-stock company (from 2008 to 2015)
- ◆ Chairman of VINCI Concessions Management (a simplified joint stock company) (from 2010 to 2014)
- ◆ Chairman of VINCI Concessions (a simplified joint stock company) (from 2008 to 2012)
- ◆ Director of:
  - ◆ VINCI plc (from 1998 to 2013)
  - ◆ VINCI Investments Ltd (from 1998 to 2013)
  - ◆ Soletanche Freyssinet (from 2002 to 2011)
  - ◆ Cofiroute (from 2006 to 2010)
- ◆ Permanent representative of VINCI Concessions, Director on the Board of Directors of
  - ◆ ASF Holding (from 2008 to 2012)
  - ◆ Cofiroute (from 2010 to 2011)

**// FRANCOISE DEBRUS** (Permanent representative of Predica, Independent Director)

**DATE OF BIRTH:**

19 April 1960

**NATIONALITY:**

French

**DATE OF FIRST APPOINTMENT:**

PREDICA appointed as a director by the General Meeting of Shareholders of 15 May 2014

**START DATE OF CURRENT MANDATE:**

15 July 2014

**OTHER MANDATES AND DUTIES CURRENTLY HELD**

◆ Director of Investments, Crédit Agricole Assurances

**Other mandates at Predica:**

◆ Permanent representative of PREDICA, director:

- ◆ EUROSIC, a French listed limited company
- ◆ KORIAN/MEDICA, a French listed limited company

◆ Member of the Supervisory Board of:

- ◆ Altarea SCA, a French listed partnership limited by shares

**Mandates held within the Foncière des Régions Group:**

◆ Member of the Supervisory Board of Foncière des Murs, a French partnership limited by shares

**MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS**

◆ Permanent representative of Crédit Agricole Assurance, Director of Générale de Santé, listed limited company from June 2015 to December 2015

◆ Permanent representative of PREDICA, director:

- ◆ MEDICA, a limited company, from June 2012 to March 2014
- ◆ Crédit Agricole Immobilier Promotion, a limited company, from January 2011 to October 2012,
- ◆ Foncière Paris France, a limited company, from March 2009 to February 2012
- ◆ Foncière des Régions, a limited company, from March 2009 to January 2011

◆ Director of:

- ◆ RAMSAY SANTE SA, from March 2009 to June 2015
- ◆ Foncière Développement Logements, SA, from March 2009 to January 2016
- ◆ Director of Beni Stabili, an Italian listed company (SIIC) from April 2014 to November 2016

Directors representing the French government authorities

**// GENEVIEVE CHAUX DEBRY**

**DATE OF BIRTH:**

18 June 1958

**NATIONALITY:**

French

**DATE OF FIRST APPOINTMENT:**

Decree of 11 July 2014

**START DATE OF CURRENT MANDATE:**

15 July 2014

**OTHER MANDATES AND DUTIES CURRENTLY HELD**

◆ Chairwoman of the Supervisory Board of Aéroport de Bordeaux-Mérignac, a French non-listed limited company

◆ Honorary senior civil servant

**MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS**

◆ Rapporteur at the Cour des Comptes (French State Audit Office) from April 2013 to July 2015

◆ Board member as French State representative of Strasbourg-Entzheim airport from 2007 to 2011

◆ Alsace regional director of the environment, development and housing from January 2010 to June 2011



## // MURIEL PENICAUD

### DATE OF BIRTH:

31 March 1955

### NATIONALITY:

French

### DATE OF FIRST APPOINTMENT:

Decree of 11 July 2014

### START DATE OF CURRENT MANDATE:

15 July 2014

### OTHER MANDATES AND DUTIES CURRENTLY HELD

- ♦ Ambassador in charge of foreign investments
- ♦ CEO of Business France (merger of Afii and Ubifrance as of 01/01/2015), a public industrial and commercial establishment
- ♦ Member of the Supervisory Board of the SNCF (société nationale des chemins de fer français) as representative of the French government - Public industrial and commercial establishment
- ♦ Co-founder and vice-chairwoman of TV DMA, the first academic web TV station for Management and Business Law (public service)
- ♦ Director representing the French government at Paris-Saclay, a public establishment,
- ♦ Partner to the Economic, Social and Environmental Council (ESEC) - European and international affairs section.

### MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS

- ♦ Chairwoman of the Board of Directors of Agro Paris Tech (institute of life and environmental sciences and industries) from 2013 to December 2014
- ♦ Orange, a French listed limited company, Director and Chairwoman of the Governance and Corporate Social Responsibility Committee from 2011 to July 2014,
- ♦ Chairwoman of the Board of Directors of Fonds Danone Ecosystème from 2009 to July 2014
- ♦ Chairwoman of the Conseil National Éducation Économie, a dialogue and planning association, from January 2014 to July 2014
- ♦ Director General of Human Resources and member of the Executive Committee of Danone, a French listed limited company, from 2008 to January 2014.

14

## // SOLENNE LEPAGE

### DATE OF BIRTH:

7 February 1972

### NATIONALITY:

French

### DATE OF FIRST APPOINTMENT:

Decree of 24 September 2012, to replace Mr Alexis Kohler

### RENEWAL OF MANDATE:

Decree of 11 July 2014

### START DATE OF CURRENT MANDATE:

15 July 2014

### OTHER MANDATES AND DUTIES CURRENTLY HELD

- ♦ Director of Transport Acquisitions at Agence des participations de l'État - Ministry of the Economy and Finance
- ♦ Member of the Board of Directors representing the French government:
  - ♦ Air France - KLM - a listed French limited company
  - ♦ RATP (Régie autonome des transports parisiens) - Public industrial and commercial establishment
  - ♦ SNCF Mobilités (ex. SNCF) - Public industrial and commercial establishment

### MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS

- ♦ Bureau chief DB1 (EDF and other investments) - Agence des Participations de l'Etat (the French Government Shareholding Agency) - Ministry of Economy, Industry and Employment and the Ministry of Economy and Finance from 2009 to June 2012
- ♦ Member of the Supervisory Board representing the French government:
  - ♦ Grand Port Maritime du Havre - Public Establishment, from July 2012 to March 2013
  - ♦ Aéroports de la Côte d'Azur - a French limited company, from September 2012 to May 2013
- ♦ Member of the Board of Directors representing the French government:
  - ♦ SNCF Réseau - Public industrial and commercial establishment, from November 2012 to July 2015
  - ♦ Société nationale de programme France Télévisions - a French limited company, from September 2012 to September 2013
  - ♦ Société nationale de programme en charge de l'audiovisuel extérieur de la France - a French limited company, from September 2012 to September 2013;
  - ♦ Société de Financement et d'Investissement pour la Réforme et le Développement (SOFIRED) - a public institution, from March 2011 to January 2013
  - ♦ Laboratoire Français du Fractionnement et des Biotechnologies (LFB) from November 2011 to October 2012
  - ♦ Société d'Economie Mixte d'Aménagement et de Gestion du Marché d'Intérêt National de la Région Parisienne (Semmaris) from September 2009 to October 2012

## // GILLES LEBLANC

**DATE OF BIRTH:**

3 May 1954

**NATIONALITY:**

French

**DATE OF FIRST APPOINTMENT:**

Decree of 11 July 2014

**START DATE OF CURRENT MANDATE:**

15 July 2014

**OTHER MANDATES AND DUTIES CURRENTLY HELD**

- ◆ Regional and interdepartmental director of infrastructure and development for the Ile-de-France region, Ministry of Ecology, Sustainable Development and Energy
- ◆ Member of the Board of Directors representing the French government:
  - ◆ Établissement public de Foncier d'Ile-de-France (EPFIF)
  - ◆ Agence foncière et technique de la région parisienne (AFTRP)
  - ◆ Grand Paris Aménagement (GPA) previously Agence foncière et technique de la région parisienne (AFTRP)
  - ◆ Établissement public d'aménagement de La Défense Seine Arche (EPA DESA)
  - ◆ Établissement public d'aménagement Orly-Rungis Seine Amont (EPA ORSA)
  - ◆ Régie Autonome des Transports publics Parisiens (RATP), public administrative, industrial and commercial establishment
  - ◆ Port autonome de Paris (PAP), public administrative, industrial and commercial establishment

**MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS**

- ◆ Member of the Board of Directors as representative of the French government within the Établissement public d'aménagement de Plaine de France from October 2014 to December 2016.
- ◆ Permanent member of the French General Council for the Environment and Sustainable Development from 2012 to March 2014
- ◆ Coordinator of the association for the prevention of natural and technological risks from 2012 to March 2014
- ◆ Chairman of the French national commission for the assessment of the safety of guided transport systems from February 2012 to February 2014
- ◆ Chairman of the French national cable car commission from February 2012 to February 2014
- ◆ Government commissioner to the Greater Maritime Port Council of Martinique, from February 2012 to February 2014
- ◆ Member of the services division of the General Council of Val-d'Oise, from 2010 to 2012

## // MICHEL MASSONI

**DATE OF BIRTH:**

20 September 1950

**NATIONALITY:**

French

**DATE OF FIRST APPOINTMENT:**

Decree of 26 April 2013, to replace Régine Bréhier

**RENEWAL OF MANDATE:**

Decree of 11 July 2014

**START DATE OF CURRENT MANDATE:**

15 July 2014

**OTHER MANDATES AND DUTIES CURRENTLY HELD**

- ◆ Coordinator of the Economy and Regulation division at the General Council for the Environment and Sustainable Development - Ministry of Ecology, Sustainable Development and Energy
- ◆ Chairman of the Board of Directors of Sécurité Ferroviaire, a public establishment

**MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS**

- ◆ Director of Réseau Ferré de France (RFF) - Public industrial and commercial establishment, from 2008 to 2012

## // DENIS ROBIN

**DATE OF BIRTH:**

15 December 1962

**NATIONALITY:**

French

**DATE OF FIRST APPOINTMENT:**

Decree of 22 April 2015, replacing Michel Lalande

**START DATE OF CURRENT MANDATE:**

15 July 2014

**OTHER MANDATES AND DUTIES CURRENTLY HELD**

- ◆ Secretary General and senior civil servant for defence at the Ministry of the Interior

**MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS**

- ◆ Prefect of Pas-de-Calais, Ministry of the Interior, from March 2012 to February 2015,
- ◆ Advisor for internal affairs at the office of the Prime Minister, from January 2011 to March 2012



## Directors representing employees

### // MARIE-ANNE DONSIMONI

**DATE OF BIRTH:**

8 May 1961

**NATIONALITY:**

French

**DATE OF FIRST APPOINTMENT:**

7 September 2011, replacing Jean-Louis Pigeon, appointed 26 June 2009

**START DATE OF CURRENT MANDATE:**

15 July 2014, re-elected on 20 May 2014

**SPONSORED BY THE:**

CFE-CGC union

**OTHER MANDATES AND DUTIES CURRENTLY HELD**

- ◆ Internal Real Estate Policy Manager at Aéroports de Paris Real Estate Department
- ◆ Director, Chairwoman of the Social Committee and Chair of the Board of Directors of Réuni-Retraite-Cadres (Association)
- ◆ Director of l'Association Sommitale of AG2R La Mondiale Réunion

**MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS**

- ◆ Director of GIE-REUNICA (Association) from December 2012 to December 2014
- ◆ Director of GIE SYSTALIANS (Association) from December 2012 to December 2014

14

### // BRIGITTE BLANC

**DATE OF BIRTH:**

25 November 1962

**NATIONALITY:**

French

**DATE OF FIRST APPOINTMENT:**

Election of 20 May 2014

**START DATE OF CURRENT MANDATE:**

15 July 2014

**SPONSORED BY THE:**

CGT union

**OTHER MANDATES AND DUTIES CURRENTLY HELD**

- ◆ Aéroports de Paris cross-divisional affairs executive in charge of monitoring customer relationships at the French civil aviation authority (DGAC) for Paris-Charles de Gaulle and Paris-Le Bourget
- ◆ Director representing employees at the Groupe ADP Corporate Foundation

**MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS**

- ◆ None

### // SERGE GENTILI

**DATE OF BIRTH:**

16 May 1956

**NATIONALITY:**

French

**DATE OF FIRST APPOINTMENT:**

Election of 26 June 2009

**START DATE OF CURRENT MANDATE:**

15 July 2014, re-elected on 20 May 2014

**SPONSORED BY THE:**

FO

**OTHER MANDATES AND DUTIES CURRENTLY HELD**

- ◆ Aéroports de Paris information sales agent at Paris-Charles de Gaulle

**MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS**

- ◆ None

## // FREDERIC GILLET

DATE OF BIRTH:  
19 February 1972

NATIONALITY:  
French

DATE OF FIRST APPOINTMENT:  
Election of 20 May 2014

START DATE OF CURRENT MANDATE:  
15 July 2014

SPONSORED BY THE:  
CFE/CGC union

### OTHER MANDATES AND DUTIES CURRENTLY HELD

◇ Aéroports de Paris firefighter at Paris-Charles de Gaulle

### MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS

◇ None

## // JEAN-PAUL JOUVENT

DATE OF BIRTH:  
31 January 1961

NATIONALITY:  
French

DATE OF FIRST APPOINTMENT:  
Election of 3 June 2004, taking office on 18 December 2008, re-elected 26 June 2009

START DATE OF CURRENT MANDATE:  
15 July 2014, re-elected on 20 May 2014

SPONSORED BY THE:  
UNSA/SAPAP union

### OTHER MANDATES AND DUTIES CURRENTLY HELD

◇ Head of the employee savings and shareholdings department at Aéroports de Paris' Human Resources department

### MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS

◇ None

## // FRÉDÉRIC MOUGIN

DATE OF BIRTH:  
1 April 1952

NATIONALITY:  
French

DATE OF FIRST APPOINTMENT:  
Election of 26 June 2009

START DATE OF CURRENT MANDATE:  
15 July 2014, re-elected on 20 May 2014

SPONSORED BY THE:  
CGT union

### OTHER MANDATES AND DUTIES CURRENTLY HELD

◇ Deputy to the head of the infrastructures section of the "Energy and Logistics" Operational Unit of Aéroports de Paris at Paris-Orly

### MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS

◇ None

## Non-voting Board members

### // BERNARD IRION

**DATE OF BIRTH:**  
**18 March 1937**

**NATIONALITY:**  
**French**

#### OTHER MANDATES AND DUTIES CURRENTLY HELD

- ◆ Director of F4 - a French limited company
- ◆ Director and representative of CCIR to SEMAVIP (Société d'Economie Mixte Ville de Paris) - a French limited company
- ◆ Director and Vice Chairman of SIPAC (Société Immobilière du Palais des Congrès) (CCIR Group) - a French limited company

**DATE OF APPOINTMENT:**

**General Meeting of Shareholders of 15 May 2014**

**START DATE OF CURRENT MANDATE:**  
**15 July 2014**

#### MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS

- ◆ Vice-Chairman of the Paris Departmental Chamber of Commerce and Industry (CCI-Paris) from 2000 to November 2016
- ◆ Director and permanent representative of CCIR to SAEMES, a French limited company from 2001 to November 2016
- ◆ Member of the Partners Committee of the STIF (Ile-de-France Transport Union) as a representative of the CRCI (Paris Ile-de-France Regional Chamber of Commerce and Industry) from 2009 to 2015
- ◆ Aéroports de Paris Non-voting member of the Board of Directors from July 2009 to November 2013 - Director from 1999 to 2009

14

### // CHRISTINE JANODET

**DATE OF BIRTH:**  
**29 September 1956**

**NATIONALITY:**  
**French**

#### OTHER MANDATES AND DUTIES CURRENTLY HELD

- ◆ Mayor of Orly
- ◆ Departmental Councillor for Val-de-Marne

**DATE OF FIRST APPOINTMENT:**

**General Meeting of Shareholders of 28 May 2009**

**START DATE OF CURRENT MANDATE:**  
**15 July 2014 (renewed by the General Meeting of Shareholders of 15 May 2014)**

#### MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS

- ◆ None

### // ANNE HIDALGO

**DATE OF BIRTH:**  
**19 June 1956**

**NATIONALITY:**  
**French**

#### OTHER MANDATES AND POSITIONS IN PROGRESS

- ◆ Mayor of Paris
- ◆ Chairwoman of the Supervisory Board of the Paris Public Hospital Authority (APHP) - Public health establishment
- ◆ Chairwoman of Cities Climate Leadership Group (C 40) organisation
- ◆ Vice-chairman of Métropole du Grand Paris, public institution for inter-municipal cooperation

**DATE OF APPOINTMENT:**

**Provisionally appointed by the Board of Directors of 8 July 2015 and approved by the Annual General Meeting of Shareholders**

**START DATE OF CURRENT MANDATE:**  
**15 July 2014**

#### MANDATES AND DUTIES COMPLETED OVER THE LAST FIVE YEARS

- ◆ Chairwoman of:
  - ◆ APUR Association from 2008 to 2014
  - ◆ "Pavillon de l'Arsenal" Association from 2008 to 2014
  - ◆ "Ile-de-France Europe" Association de 2010 à 2011
- ◆ Chairwoman of the Supervisory Board of Hôpital Necker, public health establishment, from 2008 to 2014
- ◆ Chairwoman and then director of the local public conservation authority (SPLA) Paris Batignolles Aménagement from 2010 to 2012
- ◆ Director of:
  - ◆ SemPariSeine from 2008 to 2014
  - ◆ the "Fondation Mémoire pour la Shoah" from 2012 to 2014

## Executive Management

### Organisation of Executive Management

Article 5 of law No. 2005-357 of 20 April 2005 relating to airports and Article 14 of the Articles of Association of Aéroports de Paris provide that the Executive Management of the Company is assumed by the Chairman of the Board of Directors, who takes the title of Chairman and CEO.

Augustin de Romanet was renewed as Chairman and CEO of Aéroports de Paris by decree on 24 July 2014.

Pursuant to article 14 of the Company's Articles of Association, the Board of Directors may, upon proposal by the Chairman and Chief Executive Officer, appoint up to five chief operating officers in charge of assisting the Chairman and Chief Executive Officer. In its meeting of 24 October 2013, the Board of Directors of Aéroports de Paris proceeded with appointing Patrick Jeantet as Chief Operating Officer from 1 January 2014. His mandate was renewed on 24 July 2014. Patrick Jeantet terminated his mandate, by resigning, as of 25 May 2016.

## 14.2 PERSONAL INFORMATION CONCERNING THE MEMBERS OF THE BOARD OF DIRECTORS

### Family ties, convictions, bankruptcies, conflicts of interest and other information

To the Company's knowledge, on the date of registration of the present document, there is no services agreement binding the members of the Board of Directors or the Chief Operating Officer to the Company or any of its subsidiaries providing for the granting of benefits under such an agreement. To the Company's knowledge, there are no family ties between the members of the Board of Directors.

To the Company's knowledge and on the date of filing of the present Registration Document, over the past five years: (i) no member of the Board of Directors has been convicted of fraud, (ii) no member of the Board of Directors has been associated with a bankruptcy, receivership or liquidation procedure, with the exception of Jos Nijhuis, a former member of the Supervisory Board of the Stichting Common Purpose non-governmental organisation, which went bankrupt, (iii) no charge and/or official public sanction has been upheld against a member of the Board of Directors by statutory or regulatory authorities (including designated professional bodies), and (iv) none of the members of the Board of Directors has been prevented by a court from acting as member of an administration, management or supervisory body of an issuer or from taking part in the management of or conducting the business of an issuer.

### Conflicts of interest

To the best of the Company's knowledge, on the date of filing of the present Registration Document, there was no potential conflict of interest between the duties, vis-à-vis the Company, the members of the Board of Directors or non-voting Board members and their private interests or other duties, with the exception of Jos Nijhuis and Els de Groot, due to their positions within the Schiphol Group, and the duties of the director, Vinci, as well as its permanent representative Xavier Huillard, due to the material nature of the business relationship between Vinci and the Company as well as the fact that it may be in competition with the Company for some projects. In addition, Solenne Lepage, in her dual capacity as member of the boards of Directors of Aéroports de Paris and

of Air France-KLM, does not participate in votes on the adoption of tariffs within the Board of Directors of Aéroports de Paris. Likewise, the directors who represent the Government could have potential conflicts of interest in the Company's relationship with the Government or the public institutions or entities with which it works. In addition to the provisions of the French Commercial Code applicable to related-party agreements, the Rules of Procedure for the Board of Directors lays down rules for the prevention of risks of conflicts of interest between members of the Board of Directors and Aéroports de Paris or any company within its group and the rules for transmitting sensitive data to the Board members.

### Arrangements or agreements regarding the appointment of members of the Board of Directors

The Aéroports de Paris directorships held by Jos Nijhuis, Chairman and CEO of the Schiphol Group, and Els de Groot, member of the Executive Board and Financial Director of the Schiphol Group, were renewed at the Annual General Meeting of Shareholders of 15 May 2014, in accordance with the industrial cooperation agreements signed between the Schiphol Group and Aéroports de Paris (see the paragraph "Composition of the Board of Directors" in Chapter 14).

Predica Prévoyance Dialogue du Crédit Agricole and Vinci were both appointed as directors at the Annual General Meeting of Shareholders of 15 May 2014 in accordance with the terms and conditions of the off-market sale by the Government and the Strategic Investment Fund (FSI) of Aéroports de Paris shares, pursuant to which each of these companies has undertaken, under certain circumstances, to resign from its directorship should its capital interest in the Company fall below 4.5%.

To the Company's knowledge, aside from these agreements, and subject to the specific legal and regulatory provisions applicable to the Company's Board of Directors (see the paragraph "Composition of the Board of Directors" in Chapter 14), no arrangements or agreements have been entered into with shareholders, customers, suppliers or other parties pursuant to which a member of the Board of Directors has been appointed in this capacity.



## Restrictions concerning the sale of shares

To the Company's knowledge, on the date of registration of the present document, there are no restrictions accepted by a Board member concerning the sale of his or her interest, if any, in the share capital of Aéroports de Paris, except:

- ◆ obligations to abstain from the code of ethics annexed to the Rules of Procedure and in relation to share transactions and respect for French regulations on insider trading, abuse of authority and market manipulations;
- ◆ blocking or non-transferability rules resulting from provisions applicable to directors representing employees who may hold shares in the Company through the common investment fund of the group Savings Plan invested in the Company's shares;
- ◆ undertakings given, under the circumstances provided for in the terms and conditions of the off-market sale by the Government and the FSI of Aéroports de Paris shares, by both Prédica Prévoyance Dialogue du Crédit Agricole and Vinci, not to hold, at any time up until July 2018, directly or indirectly, alone or with any other entity within their group, or in concert with any other entity, a shareholding representing more than an 8% capital interest in Aéroports de Paris;
- ◆ internal rules adopted by the Schiphol Group concerning the prevention of insider trading and the holding of financial instruments, which in particular prohibit Jos Nijhuis and Els de Groot, in their capacity as members of the Executive Board of the Schiphol Group, from acquiring Aéroports de Paris shares (an exception having been allowed however to allow these members to comply with Article 13.IV. of Aéroports de Paris' Articles of Association).



15

## COMPENSATION AND BENEFITS OF CORPORATE OFFICERS

<b>15.1 CORPORATE OFFICER COMPENSATION <sup>[AFR]</sup></b>	<b>112</b>	<b>15.3 COMPENSATION PAID TO NON- VOTING BOARD MEMBERS</b>	<b>115</b>
Terms of corporate officer compensation	112	<b>15.4 COMPANY SHARES HELD BY DIRECTORS AND NON-VOTING BOARD MEMBERS</b>	<b>115</b>
Amount of compensation payable and paid to corporate officers	113	<b>15.5 COMPENSATION OF EXECUTIVE COMMITTEE MEMBERS</b>	<b>116</b>
<b>15.2 COMPENSATION PAID TO BOARD MEMBERS</b>	<b>115</b>		

### 15.1 CORPORATE OFFICER COMPENSATION <sup>[AFR]</sup>

#### Terms of corporate officer compensation

##### 2016 fixed and variable compensation

The compensation of the Chairman and CEO and the Chief Operating Officer for the 2016 financial year was adopted by the Board of Directors on 16 December 2015 on the advice of the Compensation, Nominations and Governance Committee and approved on 8 January 2016 by the French Minister of the Economy within the framework of Article 3 of French Decree 53-707 dated 9 August 1953 (as amended).

The maximum amount of the variable portion for corporate officers was set as an absolute value and not a percentage. Indeed, decree no. 2012-915 of 26 July 2012 amending that of 9 August 1953 capped the compensation at €450,000<sup>1</sup> for corporate officers of public companies to which this decree is applicable, including Aéroports de Paris. The fixed compensation proposed by the Board of Directors and approved by the Ministry of

the economy is €350,000 for the Chairman and CEO and €330,000 for the Chief Operating Officer. It was also decided that the amount of the variable component payable to the Chairman and Chief Executive Officer could allow reaching the statutorily authorised ceiling: the maximum amount is therefore predefined by the Board of Directors at €100,000 and expressed as a directly readable monetary value. The same maximum amount was retained for the Chief Operating Officer.

The gross annual amount of the fixed compensation of the Chairman and CEO was set at €350,000 (unchanged since 2012).

The maximum gross variable compensation of the Chairman and CEO is set at €100,000. This portion is based on: Group EBITDA (weighting: 25%), Group ROCE (15%), passenger departure satisfaction rates (15%) and three qualitative targets: policies to enhance the attractiveness and hospitality at Aéroports de Paris in favour of companies and passengers (20%), Brand project (10%), corporate social responsibility, including managerial mobilisation and employee safety.

<sup>1</sup> The decree only addresses benefits in kind above the €450,000 ceiling.

The achievement of each of these targets was assessed by the Board of Directors of 22 February 2017. The weighting given to each objective defines the fraction of the variable compensation linked to it. The quantitative and qualitative targets were achieved at 75% and 120% respectively.

The Chairman and Chief Executive Officer has a company vehicle and is covered by the contract for insurance and the personal accident policy for employees of Aéroports de Paris. He has no employment contract with Aéroports de Paris and is not entitled to any compensation under a non-competition clause.

The Chairman and Chief Executive Officer does not benefit from any severance bonus or any specific pension scheme.

The Board of Directors has acknowledged Augustin de Romanet's waiver of attendance fees from Aéroports de Paris whose decision regarding allocation and division among the Directors, stated 19 December 2013, is not modified.

The gross annual amount of the fixed compensation of the Chief Operating Officer was set at €330,000 (unchanged since 2014). The amounts paid in respect of 2016 was determined prorata temporis taking into account the end of Mr Jeantet's mandate, having resigned as of 25 May 2016.

The maximum gross variable compensation of the Chief Operating Officer is set at €100,000. This portion is based on: Group EBITDA (weighting: 25%), ROCE Group (15%), passenger departure satisfaction rates (15%) and three qualitative targets: CDG Express – implementation of the stages

of the project (15%), monitoring of investment projects (15%), strategy and monitoring of subsidiaries and interests (15%).

The achievement of each of these targets was assessed by the Board of Directors of 22 February 2017. The weighting given to each objective defines the fraction of the variable compensation linked to it. The amounts paid in respect of 2016 was determined prorata temporis taking into account the end of Mr Jeantet's mandate, having resigned as of 25 May 2016. The quantitative and qualitative targets were achieved at 75% and 100% respectively.

The Chief Operating Officer had a company vehicle and insurance guaranteeing the payment of daily allowances in the event of involuntary loss of professional activity. He was covered by the insurance contract as well as by the personal accident policy for employees of Aéroports de Paris. He had no employment contract with Aéroports de Paris and has not benefited from any compensation under a non-competition clause.

The Deputy CEO did not benefit from any specific pension plan.

Since the departure of Mr Jeantet is not due to termination linked to a change in strategy or change in control, no compensation is due.

He did not receive any competition benefit or benefits of any other nature.

No stock option plan and no performance share allocation plan have been implemented by the company for its corporate officers.

15

The table below summarises the information about the corporate officers:

	Contract of employment		Supplementary pension scheme		Indemnities or benefits due or likely to be due as a result of departure or change in role		Indemnities relating to a non-competition clause	
	yes	no	yes	no	yes	no	yes	no
<b>Executive Officers</b>								
<b>Augustin de Romanet</b> Chairman and CEO Start of mandate: 15/07/2014 Anticipated end of mandate: 14/07/2019		◆		◆		◆		◆
<b>Patrick Jeantet</b> Chief Operating Officer Start of mandate: 15/07/2014 End of mandate: 25/05/2016		◆		◆		◆		◆

## Amount of compensation payable and paid to corporate officers

### Augustin de Romanet

(in euros)	2016	2015
Compensation due for the financial year	450,473	454,883
Exercising of options allocated during the course of the financial year	-	-
Exercising of performance-related options allocated during the course of the financial year	-	-
Severance package	None	None
Non-competition benefit	None	None
Supplementary pension scheme	None	None
<b>TOTAL</b>	<b>450,473</b>	<b>454,883</b>

(in euros)	2016		2015	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation	350,000	350,000	350,000	350,000
Variable compensation	95,500 <sup>1</sup>	100,000	100,000	95,800 <sup>1</sup>
Differed variable compensation	None	None	None	None
Exceptional compensation	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	4,973	4,973	4,883	4,883
<b>TOTAL</b>	<b>450,473</b>	<b>454,973</b>	<b>454,883</b>	<b>450,683</b>

<sup>1</sup> Amounts paid in 2016 correspond to amounts due in respect of 2015. Amounts due in respect of 2016 will be paid in 2017.

## Patrick Jeantet (mandate terminated on 25 May 2016)

(in euros)	2016	2015
Compensation due for the financial year	168,215	433,877
Exercising of options allocated during the course of the financial year	-	-
Exercising of performance-related options allocated during the course of the financial year	-	-
Severance package	-	-
Non-competition benefit	None	None
Supplementary pension scheme	None	None
<b>TOTAL</b>	<b>168,215</b>	<b>433,877</b>

(in euros)	2016		2015	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation	132,000	132,000	330,000	330,000
Variable compensation	34,600 <sup>1</sup>	100,000	100,000	95,800 <sup>1</sup>
Differed variable compensation	None	None	None	None
Exceptional compensation	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	1,615	1,615	3,877	3,877
<b>TOTAL</b>	<b>168,215</b>	<b>233,615</b>	<b>433,877</b>	<b>429,677</b>

<sup>1</sup> Amounts paid in 2016 correspond to amounts due in respect of 2015. Amounts due in respect of 2016 will be paid in 2017.

## 2017 corporate officer compensation: fixed amount and variable amount targets

The compensation of the Chairman and CEO for the 2017 financial year was adopted by the Board of Directors on 14 December 2016. It will be subject to a binding vote during the Annual General Meeting of Shareholders on 11 May 2017, in accordance with article L. 225-37-2 of the French Commercial Code.

The gross annual amount of their fixed compensation was set at €350,000.

The maximum gross variable compensation of the Chairman and CEO is set at €100,000. This is based on three quantitative targets: Group EBITDA (weighting: 25%), Group ROCE (15%), passenger departure satisfaction rates (15%) and three qualitative targets: the policy to enhance

the attractiveness and hospitality at Aéroports de Paris in favour of companies and passengers and the CDG Express project (15%), corporate social responsibility, including managerial mobilisation and employee safety (15%), the strategy and monitoring of subsidiaries and interests, particularly abroad (15%).

The Board of Directors will assess how far each of these objectives has been reached. The weighting given to each objective defines the fraction of the variable compensation linked to it. It will be approved by the Minister of the Economy under Article 3 of French Decree no. 53-707 of 9 August 1953 and will be subject to a binding vote during the Annual General Meeting of Shareholders of 2018, in accordance with article L. 225-37-2 of the French Commercial Code.

The other compensation elements remain unchanged.

## 15.2 COMPENSATION PAID TO BOARD MEMBERS

Directors representing the French government authorities and directors representing employees did not receive any compensation from the Company or from companies controlled by the Company for their services as directors.

The directors, appointed by the Annual General Meeting of Shareholders, received attendance fees in respect of 2015 and 2016 that were paid in 2016 and 2017, respectively. Augustin de Romanet waived the attendance fees as director of Aéroports de Paris.

<i>(in euros)</i>	2016	2015
Jacques Gounon	33,380	34,720
Els de Groot <sup>1</sup>	12,870	10,010
Vinci represented by Xavier Huillard	14,300	15,730
Jos Nijhuis <sup>1</sup>	10,010	12,870
Augustin de Romanet	-	-
PREDICA represented by Emmanuelle Yannakis	-	30,520
PREDICA represented by Françoise Debrus (from 1 January 2016)	29,180	-
<b>TOTAL</b>	<b>99,740</b>	<b>103,850</b>

<sup>1</sup> These amounts were paid to Schiphol Nederland B.V., a subsidiary of the Schiphol Group, under a receivable assignment agreement.

## 15.3 COMPENSATION PAID TO NON-VOTING BOARD MEMBERS

The non-voting Board members, appointed by the Annual General Meeting of Shareholders, received attendance fees for 2015 and 2016 that were, respectively, paid in 2016 and 2017:

<i>(in euros)</i>	2016	2015
Anne Hidalgo (since 8 July 2015)	715	-
Bernard Irion	7,150	6,435
Christine Janodet	7,150	5,005

## 15.4 COMPANY SHARES HELD BY DIRECTORS AND NON-VOTING BOARD MEMBERS

Directors representing the Government authorities and directors elected by employees are not required to own Company shares. As at the date of filing of this Registration Document, the number of Aéroports de Paris shares held by each member of the Board of Directors and non-voting Board members, as well as the period for which such shares were held, is as follows:

- ◇ Augustin de Romanet de Beaune: 300;
- ◇ Jacques Gounon: 250;
- ◇ Els de Groot: 1;
- ◇ Jos Nijhuis: 1;
- ◇ Société Predica Prévoyance Dialogue du Crédit Agricole, represented by Ms Debrus: 5,051,791;
- ◇ Anne Hidalgo: 0

- ◇ Bernard Irion: 400;
- ◇ Christine Janodet: 40;
- ◇ Group Vinci: 7,916,848, of which:
  - ◆ Société Soc 15: 7,916,847,
  - ◆ Société VINCI represented by Mr Huillard: 1 simple share loan of 1 share.

In accordance with the terms of article L. 621-18-2 of the French Monetary and Financial Code and with the terms of the article 9 of the regulation (EU) n°596/2014 of 16 April 2014 on market abuse, people exercising managerial responsibilities and their relatives must declare transactions performed on shares of the Company and declare their function in the Company. These statements are declared to the AMF through the extranet ONDE.

## 15.5 COMPENSATION OF EXECUTIVE COMMITTEE MEMBERS

The total gross amount (excluding employers' contributions) of compensation and benefits (fixed and variable compensation, incentive bonus, profit sharing, additional contributions, benefits in kind) of the members of the Executive Committee totalled €3,380 million in 2016 for

12 members sitting as of 31 December, compared with €2,851 million in 2015 for 10 members sitting as of 31 December. No stock option plans have been set up by the Company for its non-corporate officer Executive Committee members.



16

## FUNCTIONING OF THE BOARD OF DIRECTORS AND MANAGEMENT BODIES

### 16.1 FUNCTIONING OF THE BOARD OF DIRECTORS AND MANAGEMENT BODIES <sup>AFR</sup>

The Board of Directors	117
Executive Management	119
Executive Committee	119

### 16.2 FUNCTIONING OF THE COMMITTEES LINKED TO THE BOARD OF DIRECTORS 122

Audit and Risks Committee	122
The Strategy and Investment Committee	123
The Compensation, Appointments and Governance Committee	123

### 16.3 CORPORATE GOVERNANCE - ADHERENCE TO THE PRINCIPLES OF GOVERNANCE 124

Internal control	124
------------------	-----

## 16.1 FUNCTIONING OF THE BOARD OF DIRECTORS AND MANAGEMENT BODIES <sup>AFR</sup>

### The Board of Directors

The Board of Directors is a collegial body of the company, which determines the direction of the activity of Aéroports de Paris and oversees their implementation, as specified in Article 16 of its Articles of Association, without prejudice to Article 7 of the Law of 26 July 1983 on the democratisation of the public sector. It is under obligation to act, in any and all circumstances, in the corporate interest of the company and must answer for its actions in this respect before the General Meeting of Shareholders.

The duties of the Board are determined by the laws and regulations, by-laws and rules of procedure adopted by the Board of Directors at its meeting on 9 September 2005 and the last changes dated 19 February 2014 (the Rules of Procedure).

The Rules of Procedure can be viewed at [www.groupeadp.fr](http://www.groupeadp.fr). They outline the work of the Board of Directors and its members, its functioning and that of its specialist committees: the Audit and Risks Committee, the Strategy and Investments Committee and the Compensation, Appointments and Governance Committee.

They include a charter for the members of the Board of Directors, which outlines the regulatory framework, and a code of ethics relating to securities transactions and compliance with French regulations on insider trading, insider infringements and market manipulation. Each member of the Board of Directors must look after the company's best interests. He or she must have a quality of judgement, in particular of situations, strategies and people, based predominantly on their experience. He or she must have an ability to anticipate, enabling potential strategic risks and issues to be identified. Each member of the Board of Directors

undertakes in accepting the Charter to remain independent in his/her analysis, judgement, decision-making and action, to reject all pressure, of any kind whatsoever and from wherever it comes, and to do so in all circumstances (Charter Article 6).

The Chairman of the Board of Directors, who also oversees the general management of the Company, is appointed by decree by the Board of Ministers from among the directors and is nominated by the Board. He organises and directs the work of the latter and represents it in its dealings with shareholders and third parties. He sees to the proper running of the corporate bodies and makes sure, in particular, that the directors are able to fulfil their duties.

The Rules of Procedure provide that once a year, the Board discusses its own performance, and proposes amendments to the Rules of Procedure if it finds it necessary. The evaluation thus established corresponds to the three objectives and modalities set out by the AFEF-MEDEF Code on the matter. Every three years, the Board may order an external evaluation of its own performance, under the direction of Compensation, Appointments and Governance Committee.

An evaluation was conducted by an external provider in 2016. Its conclusions were presented in the Board of Directors' meeting on 19 October 2016. The overall assessment of the governance by the Board members is positive: the functioning of the Board of Directors has improved in recent years; the Board handles matters properly and works in a spirit of collaboration, collegiality and efficiency. Moreover, the directors stated that they were satisfied with the Board's dynamics and performance, which are enhanced by the quality of its coordination. To improve its functioning, the members of the Board of Directors would like fewer items on the agendas and better coordination between the work of the Strategy and Investment Committee and that of the Board.

In addition, in response to the internal evaluation in 2015, enhanced information on certain subsidiaries was implemented in 2016 and particular focus was given to corporate social responsibility (CSR) performance.

## Meetings of the Board of Directors

The Chairman and CEO convenes Board meetings either at regular intervals or at times he deems appropriate. To enable the Board to review and discuss in detail issues within its jurisdiction, the Rules of Procedure provide that the Board shall meet at least six times a year, and more if circumstances so require. The notice convening the Board Meeting is sent to the board members, by any appropriate means, at least five days before the date of the meeting, except in a case of justified emergency, and establishes the place of the meeting.

## Function of the Board of Directors

The Board of Directors oversees the management of the company and is responsible for the quality of information provided to shareholders and the market, through the accounts or in connection with major transactions, including company securities. While subject to the powers expressly granted to shareholders and within the limits of the corporate purpose, the Board deals with all matters concerning the smooth running of the Company and regulates the proceedings and matters where the Board is competent. It makes any such checks and audits as it may deem appropriate.

Due to the special regime governing Aéroports de Paris SA, the Board of Directors also has its own powers under Law 83-675 of 26 July 1983 on the democratisation of the public sector and the Civil Aviation laws. Lastly, the Board of Directors resolved at its meeting on 9 September 2005, modified on 29 April 2009, to limit the powers of the Chairman and CEO.

The powers of the Board of Directors, listed in the Rules of Procedure, can be consulted in the Chairman of the Board of Directors' report (see appendix 2) and on the website [www.groupeadp.fr](http://www.groupeadp.fr).

## Information for members of the Board of Directors

The Rules of Procedure state that directors must be given prior and permanent information, which is an essential condition of the performance of their duties. Subject to the provisions relating to the prevention of conflicts of interest and the transmission of sensitive data, the Chairman of the Board of Directors communicates to board members, in order for them to fully carry out their duties, all information and documents useful at the Board Meeting to which they are convened, at least five days before it is held, except in the event of necessity or physical impossibility.

Board members undertake to preserve the confidentiality of information that is communicated.

The Chairman and CEO sends a company operating report to board members every three months.

When a new board member takes up their functions, the Chairman and CEO hands over all documents necessary to the correct performance of their duties.

Finally, each director and advisory member of the Board is entitled, either at the time of their appointment or over the course of their mandate, to receive training from the company regarding special features of the company, its subsidiaries, roles and sector of activity. Aéroports de Paris has also suggested that all directors register with the Institut Français des Administrateurs (IFA) (the French Institute of Administrators).

## Prevention of conflicts of interest and transmission of sensitive data

In this regard, the Rules of Procedure of the Board of Directors contain provisions intended to prevent any conflict of interests, any interference between a public interest and public or private interests, pursuant to law No. 2013-907 of 11 October 2013 relating to transparency in public life, together with any risk of distorting competition. In compliance with Article 2 of the Charter, every board member has an obligation to disclose to the board any situation or any risk of a conflict of interests of which they have knowledge, between him or herself (or any natural or legal person with whom they have a business relationship and/or for whom they carry out work functions) and Aéroports de Paris or any company in the group or company with which Aéroports de Paris envisages signing an agreement of any nature whatsoever.

In this respect, in the context of the Company's obligations pursuant to article L. 225-37 of the French commercial code, every board member must declare to the Chairman and CEO if potential conflicts of interest exist between their duties with regard to Aéroports de Paris and their private interests and/or other duties or obligations with regard to other natural or legal persons and, if applicable, provide details in answer to a questionnaire that will be submitted to them each year, in particular specifying past and present functions and mandates.

The Board of Directors has drawn up a procedure for dealing with difficulties connected with conflict of interests and has appointed a senior director on the matter, in compliance with the principles of objectivity and transparency. Entrusted to the Chairman of the Audit Committee, an independent director, this role serves to ensure compliance with the procedure, to advise on ways of preventing said conflicts and to suggest methods for resolving situations of potential conflicts of interest. In the event of a conflict situation being noted, the board member must abstain from voting on the matter in question.



## Board of Directors' activity in 2016

The Board of Directors met 13 times in 2016 with an attendance rate of 74% to discuss subjects concerning the following:

- ◆ governance, and in particular:
  - ◆ the annual review of the independence criteria for directors;
  - ◆ the external appraisal of the functioning of the Board of Directors;
- ◆ the compensation of executive officers (Chairman and CEO and Chief Operating Officer):
  - ◆ variable compensation for 2015 – objectives achieved and the amount of variable compensation;
  - ◆ 2017 compensation for the Chairman and CEO: setting of amount of fixed portion and variable portion targets;
- ◆ the convening of the Annual General Meeting of Shareholders for 3 May 2016;
- ◆ the management of the Company, and in particular approving the corporate and consolidated financial statements for 2015 and the half-yearly financial statements for 2016, adopting the Management Report for 2015, preparing the management planning documents and the report on the development of Aéroports de Paris, updating the group's consolidated budget forecast for 2016 and the cost-reduction plan, the budget for the 2017 financial year for the group, setting the tariff for aeronautical charges for 2017, authorising sureties, endorsements and guarantees, authorising subscriptions for bond issues, authorising the signing of regulated agreements, reviewing the previously approved regulated agreements which continued in 2016, and the payment in cash of an interim dividend in respect of the 2016 financial year;
- ◆ the share-ownership structure with the implementation of an employee share ownership scheme with an offer to acquire shares and a free allocation of shares;
- ◆ the group strategy and investments as shown in the appraisal of the 2011-2015 strategic plan, the "Connect 2020" strategic plan (2016-2020 roadmap), the 2017-2021 investment programme and the related financial plan, the overview of the customer portfolio, Groupe ADP's transformation strategy, the European Commission's overview of the air transport industry, the examination of the main investment projects (CDG Express project, etc.), competitive analysis of Paris Aéroport's customer's digital ecosystem, participation on the tender offer process for the concession of international airports, and Aéroports de Paris' contribution to the airport noise compensation fund (FCNA);
- ◆ approval of the new trademark and information on the group's commitments;
- ◆ Aéroports de Paris' professional-equality and equal-pay policy, workplace safety;
- ◆ information on customer satisfaction;
- ◆ status of the mapping of the 2016 group risks and the deployment of internal control, and approval of the report from the Chairman of the Board of Directors relating to financial year 2015;
- ◆ CSR performance;
- ◆ information on subsidiaries.

## Executive Management

Article 5 of Law No. 2005-357 of 20 April 2005 relating to airports and Article 14 of the Aéroports de Paris Articles of association provide that the general management of the Company is chaired by the Chairman of the Board of Directors, who takes the title of Chairman and CEO.

This non-dissociated management follows logically from the Law and from the Company's Articles of Association. Shareholders in Aéroports de Paris consider that, in a changing environment, combining the

functions improves the coordination between strategy and operational action. Under the external appraisal of the Board, established in 2016, the members of the Board of Directors considered that combining the functions of the Chairman and the Chief Executive Officer was the best option for the Company.

The limitations on the powers of the Chief Executive Officer decided by the Board of Directors ensure a balance between the Executive Officer and the Board of Directors, while retaining the flexibility and responsiveness necessary to administer and manage the Company following good corporate-governance practices.

Augustin de Romanet's mandate as Chairman and CEO of Aéroports de Paris was renewed by decree dated 24 July 2014.

Pursuant to Article 14 of the Company's Articles of Association, the Board of Directors may, upon proposal by the Chairman and CEO, appoint up to five Chief Operating Officers in charge of assisting the Chairman and CEO. In its meeting of 24 October 2013, the Board of Directors of Aéroports de Paris proceeded with appointing Patrick JEANTET as Chief Operating Officer effective 1 January 2014. His mandate was renewed on 24 July 2014. Patrick Jeantet ended his mandate by resigning as from 25 May 2016.

The Chairman and CEO and the Chief Operating Officer must not hold more than two other director mandates in listed companies outside of the group, including foreign companies. They must also take the board's advice before accepting a new corporate mandate in a listed company.

## Absence of service agreements

To the Company's knowledge, there is no service agreement that binds the members of the Board of Directors to the Company or any of its subsidiaries and provides for the granting of benefits under such an agreement.

## Executive Committee

### Duties

The Executive Committee is in charge of the operational and strategic management of Aéroports de Paris and discusses all subjects relating to its smooth running and the proper implementation of decisions.

### Composition

The Executive Committee is chaired by Augustin de ROMANET, Chairman and CEO, and, at the date of filing of this Registration Document, comprises the following permanent members:

- ◆ Chief Executive Director in charge of Development, Engineering and Transformation: Edward ARKWRIGHT;
- ◆ Executive Director, Director of the Customer Division: Laure BAUME;
- ◆ Executive Director in charge of International Operations: Antonin BEURRIER;
- ◆ Executive Director, Director of airport operations and Director of Paris-Charles de Gaulle airport: Franck Goldnadel;
- ◆ Executive Director in charge of Finances, Strategy and Administration: Philippe PASCAL;
- ◆ Senior Vice Chairman: Patrick COLLARD;
- ◆ Real Estate Director: Serge GRZYBOWSKI;
- ◆ General Secretary of the group: Didier HAMON;
- ◆ Human Resources Director: Alice-Anne MEDARD;
- ◆ Director of Paris-Orly airport: Franck MEREYDE;
- ◆ Director of Communications: Benjamin PERRET;
- ◆ Director of Engineering and Development: Guillaume SAUVE.

## Personal information concerning members of the Company's Executive Committee

**Augustin de ROMANET**, born on 2 April 1961, is a graduate of the Institut d'Études Politiques in Paris and of the École Nationale de l'Administration. He was previously Chief Executive Officer of Caisse des Dépôts et Consignations between March 2007 and March 2012, and chaired the Strategic Investment Fund between 2009 and 2012. Prior to that, he served as Deputy Finance Director of Crédit Agricole SA, and a member of the Executive Committee. Before taking up this position, Mr de ROMANET was Deputy Secretary General to the President of the Republic between June 2005 and October 2006, and held responsibilities in various ministerial offices. In particular, between 2002 and 2005, he was Cabinet Director for Alain LAMBERT, Deputy Budget Minister, the Deputy Cabinet Director for Francis Mer, Minister for the Economy, Finance and Industry, Cabinet Director for Jean-Louis BORLOO, Minister for Employment, Labour and Social Cohesion, and lastly, Deputy Cabinet Director for Jean-Pierre RAFFARIN, Prime Minister. Augustin de ROMANET, appointed Chairman and CEO of Aéroports de Paris by decree dated 29 November 2012, had his mandate renewed by decree dated 24 July 2014. With respect to his mandates, given that Aéroports de Paris has a holding in TAV Group (governed by Turkish law), Augustin de ROMANET is Director and Vice-Chairman of the Board of Directors of TAV Havalimanlari Holding A.S. (TAV Airports – a company listed in Turkey), of TAV Yatirim Holding A.S. (TAV Investment) and of TAV Tepe Akfen Yatirim Insaat Ve Isletme A.S. (TAV Construction, a subsidiary of TAV Yatirim Holding). He is Vice-Chairman of the TAV Havalimanlari Holding A.S. ("TAV Airports") Corporate Governance Committee and the Risk and Appointments Committee. Within the Groupe Aéroports de Paris, he is also Chairman and Director of Média Aéroports de Paris SAS, a member of the Board of Directors of Direction de Relay@ADP (SAS, a joint-venture with Lagardère) and a member of the Board of Société de Distribution Aéroportuaire (SAS, a joint-venture with Lagardère). He is also Chairman of Groupe ADP Foundation. In addition, Augustin de ROMANET is Chairman of the Board of Directors and of the Executive Committee of Airport Council International (ACI) Europe (an international non-profit association under Belgian law), a director of Régie autonome des transports parisiens (RATP), public industrial and commercial establishment and, since 11 February 2016, a member of the Supervisory Board of the Cercle des Economistes SAS. Director of the European listed company, SOCOR, he is also a member of the Compensation and Appointments Committee, the Strategic Committee and the Crisis Management Committee.

Augustin de ROMANET is a Knight of the Legion of Honour, and has been awarded the French National Defence Medal.

**Edward ARKWRIGHT**, born on 26 April 1974, holds a seat in the French Senate, a degree from the Institut d'Études Politiques de Paris, is a graduate of the École Supérieure des Sciences Économiques et Commerciales (ESSEC) and holds a Master's in Advanced Modern History. He became a director at the Senate Commission in 1999. Between 2002 and 2007, he held several positions at the Ministry of Finance, and worked on the implementation of the budgetary reforms introduced by the Legislation regarding Finance Acts (LOLF), and on the reform of the Government and public finances. In 2007, he worked as Cabinet Director for the Caisse des Dépôts's CEO. In 2010, he was appointed Director of Strategy and Sustainable Development at the Caisse des Dépôts Group, and, from 2011 to 2012, as Chairman of the SCET (French Regional Expert Advisory Department). Edward ARKWRIGHT joined Aéroports de Paris in December 2012, as Special Advisory Director to the Chairman and CEO. He was appointed Executive Director of Finance, Strategy and Administration with effect from 1 September 2013. Since 26 May 2016, Edward ARKWRIGHT has served as Chief Executive Director in charge of Development, Engineering and Transformation. Within Groupe ADP, he is Chairman of the Board of Directors of Hub One, a member of the Board of Directors of CDG Express Études, a member of the Executive Committee of Cœur d'Orly Commerce Investissements, a member of the Board of Directors of Relay@ADP (SAS, joint venture with Lagardère) and a member of the Board of the Société de Distribution Aéroportuaire (SAS, joint venture with Lagardère). Within the TAV Group (subject

to Turkish law) in which Aéroports de Paris has a stake, he is also a director and a member of the Corporate Governance Committee of TAV Havalimanlari Holding A.S. ("TAV Airports") and, since 8 June 2016, a director of TAV Yatirim Holding A.S. ("TAV Investment"). He is a member of the Supervisory Board of NV Luchthaven Schiphol. Edward ARKWRIGHT is a knight of the National Order of Merit.

**Laure BAUME**, born on 10 September 1975, is a graduate of the HEC business school. She began her career in the US group Kraft Foods (now Mondelez) as an Assistant Product Manager for the Milka brand (1998). In 2000, she was appointed Innovation Product Manager for coffee and in 2002 joined Kraft Foods International in New York (USA), as Head of the Grocery Category for Latin America. In 2004, she returned to Kraft Foods in Paris as Brand Manager for Jacques Vabres and Head of Sustainable Development strategy for coffee. In 2006, she joined Club Méditerranée as Marketing Director for France, then in 2008 took up the double position of Marketing Director for France and General Manager for Switzerland. In 2012, she was appointed to the General Management Committee of Club Med as General Manager of the New Markets – Europe-Africa and Strategic Marketing Business Unit. On 15 December 2014, Laure BAUME was appointed Executive Director, Director of Aéroports de Paris Customer Division and joined the Executive Committee of Aéroports de Paris. Since 27 January 2015, Laure Baume has served within the Groupe Aéroports de Paris as a member of the Management Board of Société de Distribution Aéroportuaire (joint venture), Relay@ADP (joint venture) and Epigo (joint venture) and is also a member of the Board of Directors of Média Aéroports de Paris and also, since 14 December 2016, of Orpéa.

**Antonin BEURRIER**, born on 14 December 1970 is a graduate of Columbia Business School, New York, the École Nationale d'Administration (the class of Marc Bloch) and of Sciences-Po Paris. After starting his professional career as a Deputy Prefect as Cabinet Director for the Prefect of Puy-de-Dôme, then in French Polynesia, Antonin BEURRIER worked at the Michelin Group between 2000 and 2005 as Head of Northern Europe, based in Stockholm, then as Director of Investor Relations. In 2005, he joined the Ministry of Finances, working for the French General Inspectorate of Finance. Between 2007 and 2011 he served as part of the management team of the Swedish industrial group "SANDVIK Mining & Construction" and, based in Shanghai and Singapore, he was responsible for the development of the group in emerging countries (China, India and Russia), then general management of the Asia Region (mainly China, Japan and Korea). In 2011, he joined the Executive Committee of the Nickel Division of the mining and metallurgical group XSTRATA (Toronto) and took over the Chairmanship of its Caledonian subsidiary. After founding his consultancy and investment company "Anamorphose" in 2013, he joined the Brazilian mining group "VALE" the following year as Chairman of the Vale Nouvelle-Calédonie company. Antonin BEURRIER joined Aéroports de Paris on 2 May 2016 as Executive Director in charge of International Operations. Within Groupe ADP, he also serves as Chairman and director of ADP Ingénierie and Aéroports de Paris Management (French limited companies, subsidiaries of Aéroports de Paris SA). Within the TAV Group (subject to Turkish law) in which Aéroports de Paris holds a stake, he is also a director of TAV Tepe Akfen Yatirim Insaat Ve Isletme A.S. ("TAV Construction"), since 8 June 2016 and also of TAV Havalimanlari Holding A.S. ("TAV Airports"), since 26 July 2016.

**Franck GOLDNADEL**, born on 14 August 1969, is a graduate engineer of the École Nationale de l'Aviation Civile. After beginning his career in 1993 with the Air Transport department of the ENAC in cooperation with Airbus Industries, he was Director of Commercial Development of Alyzia Airport Services, a subsidiary of Aéroports de Paris, from the end of 1994 to 1997 in charge of ground-handling services. He joined Aéroports de Paris at the end of 1997 and held a number of positions within the Operations department at terminals 1 and 3 of Paris-Charles de Gaulle airport. In 2003, he was appointed Director of terminals 2E, 2F, 2G and TGV station at Paris-Charles de Gaulle. Since January 2010, Franck GOLDNADEL has served as Director of Paris-Orly airport. Since 12 December 2014, Franck GOLDNADEL has served as Executive Director, Director in charge of airport operations. He performs these duties at the same time as those of Director of the Paris-Charles de Gaulle airport, a position which he has held since 1 March 2011. Within the Aéroports de Paris Group, he is a Director of Média Aéroports de Paris and of Hub One (an Aéroports de



Paris subsidiary) and a member of the Board of Société de Distribution Aéroportuaire (joint-venture) and a member of the Executive Committee of Relay@ADP (joint-venture), CCS France (equity interest) and Epigo (joint-venture). Franck GOLDNADEL is a Knight of the National Order of Merit.

**Philippe PASCAL**, born on 27 November 1971, holds a Masters Degree in Public Law and is a graduate of École Nationale des Impôts. He started his career at the Department of Fiscal Legislation where he held several posts between 1998 and 2007 in real estate portfolio taxation, agricultural taxation and personal taxation. As special advisory to the office of the Minister of the Budget, Public Accounts and Civil Service in 2007, he was appointed Finances Inspector from April 2008. From 2008 to 2013 he participated in and later led audit, appraisal and consultancy duties within the Department of the Inspectorate General of Finance. He joined Aéroports de Paris in February 2013 as Director of Financial Transactions and Investments, then Director of Finances and Strategy and, in November 2015, Director of Finances, Management and Strategy. Since 26 May 2016, Philippe PASCAL has served as Executive Director of Finances, Strategy and Administration. Within Groupe ADP, he is also a member of the Board of Directors of EPIGO (joint venture), a member of the Board of Directors of Média Aéroports de Paris and ADP Investissement Nederland B.V., as well as the permanent representative of Aéroports de Paris on the Board of Directors of ADP Ingénierie and Aéroports de Paris Management (French limited companies, subsidiaries of Aéroports de Paris SA). He is a member of the Executive Committee of Cœur d'Orly Commerces Investissement and Cœur d'Orly Investissement (SAS).

**Patrick COLLARD**, born on 25 November 1953, held several posts in press groups before serving, from 1997 to 2005, as CEO of Télérama (SA). He was then also appointed Chairman and CEO of the advertising agency subsidiary Publicat. Between 2005 and 2008, he served as Chief Operating Officer of the daily newspaper, Le Monde, Chairman and CEO of Monde imprimerie (SA) and Chairman and CEO of Monde publicité (SA). In 2008, Patrick COLLARD joined La Dépêche du Midi Group as Chief Operating Officer, before being appointed Chief Operating Officer of Radio France in May 2009, a post he left at the end of 2012. In 2013, Patrick COLLARD joined Aéroports de Paris as Chief of Staff to the Chairman and CEO and Senior Vice Chairman. Since 26 May 2016, as Senior Vice Chairman, he is responsible for the group's external relations, building of the new registered office, official receptions and Groupe ADP Foundation. He serves as Vice-Chairman of Aéroports Français (UAF) and Deputy Secretary General of the Long Thibaud Crespion Foundation. Within Groupe ADP, he is a director of ADP Ingénierie.

**Serge GRZYBOWSKI**, born on 14 September 1958. He is a graduate of the Institut d'Études Politiques in Paris and an alumnus of the French National School of Administration (ENA). Former civil administrator at the Caisse des Dépôts et Consignations and at the French State Treasury. He was Executive Director of Bourdais SA, then a bank CEO (La Hénin, Banque du Développement des PME), and CEO of Gécina. He served as Chairman and CEO of Icade, from August 2007 to February 2015. Serge GRZYBOWSKI joined Aéroports de Paris in July 2015 as Director of Real Estate. Within the group, he is Chairman of Cœur d'Orly Investissements, Chairman of Aéroports de Paris Investissements and Chairman of Ville Aéroportuaire Immobilier. Serge GRZYBOWSKI is a Knight of the National Order of Merit and a Knight of the Legion of Honour.

**Didier HAMON**, born on 5 September 1951, is a graduate of the Institut d'Études Politiques in Paris and of the Wharton School (University of Pennsylvania). He holds a Master's Degree in Law and studied at the École Nationale de la Magistrature. Didier HAMON was Deputy State Prosecutor firstly for Val d'Oise and then for Hauts de Seine. He was General Secretary of the École Nationale Supérieure de Création Industrielle, and Programme Director for the Bicentenary of the French Revolution. He was senior lecturer at the IEP in Paris for eight years, and an associate professor at the University of Versailles. After five years of ministerial office (principal secretary and advisor to Jack Lang, then Jean-Louis Bianco),

Didier HAMON joined Aéroports de Paris in 1993 as the Communications Director, acting as spokesperson for the Company. In 2003, he became the Director for Environment and Sustainable Development. He has served as General Secretary of Groupe ADP since May 2013. Didier HAMON is an Officer of the Legion of Honour.

**Alice-Anne MÉDARD**, born on 30 March 1963, is a graduate of the Institut d'Études Politiques (IEP) in Bordeaux and holds a Master's Degree in Public Law. Alice-Anne MÉDARD began her international career as a diplomat in North America and Africa, then continued her professional life in the legal field before entering the world of aeronautics in 2004. A former General Secretary of the Civil Aviation Authority (DGAC) within the Ministry of Ecology, Sustainable Development and Energy, she has held various functions within the DGAC since 2004 including: Deputy Director of Legal Affairs at the General Secretariat and Director of Civil Aviation for the Southwest Region. She also held the position of Air Transport and Aeronautical Construction Adviser for Frédéric CUVILLIER, Deputy Minister for transport and Maritime Economy to the Minister of Ecology, Sustainable Development and Energy. Alice-Anne MÉDARD joined Aéroports de Paris in August 2015, as Director of Human Resources. Within Groupe ADP, she serves as Director of ADP Ingénierie and Aéroports de Paris Management (Aéroports de Paris subsidiaries) and sits on the Executive Committee of the Aéroports de Paris subsidiary Hub Safe (formerly Alyzia Sûreté).

**Franck MEREYDE**, born on 6 April 1972 is a civil engineer and the holder of a postgraduate qualification (DEA) in geophysics and space techniques. After beginning his career with Environnement Canada and then Météo France, in 2002 he joined the Office of the Minister for Infrastructure as technical advisor in charge of research and intermodal issues, then as advisor in charge of the budget, financial affairs and civil aviation. In 2005, he joined Aéroports de Paris where he held the posts of Deputy Director of Operations and Director of Operations at Paris-Charles de Gaulle. He is also in charge of freight for Aéroports de Paris. In 2007, he was appointed Director of terminals 2A, 2B, 2C and 2D at Paris-Charles de Gaulle airport and, in January 2010, Director of terminals 2E, 2F and 2G, as well as of the TGV/RER connection at Paris-Charles de Gaulle airport. On 1 March 2011, Franck MEREYDE was appointed Director of Paris-Orly airport. Within Groupe ADP, Franck MEREYDE is a Director of Aéroports de Paris Management (an Aéroports de Paris subsidiary) and a member of the Board of Hub Safe (formerly Alyzia Sûreté), a subsidiary of Aéroports de Paris.

**Benjamin PERRET**, born on 14 April 1980 graduated from the Institut d'Études Politiques in Paris in 2002 and holds a postgraduate qualification (DEA) in Applied Economics in Business and Finance (IEP Paris, 2003). He joined Ogilvy Public Relations in July 2003 and then moved in April 2006 to the Euro RSCG C&O Agency as Consulting Director. Benjamin PERRET joined the Caisse des Dépôts et Consignations Group in October 2010 as Head of Press Relations, within the Communications Department. From September 2012 until the end of April 2013, he was responsible for press relations in the office of the Deputy Minister for the Budget. Benjamin PERRET joined Aéroports de Paris in May 2013, as Communications Director. He is also a director of Groupe ADP Corporate Foundation.

**Guillaume SAUVE**, born on 25 August 1972, is a graduate of the École Polytechnique, a Civil Engineer and a graduate of the Collège des Ingénieurs de Paris. Having held various posts both in companies and the government, Guillaume SAUVE joined Aéroport de Paris in 2002. Following a move to Dubai as Director of Projects for ADP Ingénierie (ADPI), he was appointed Deputy Project Manager. He also led the refurbishment of terminal 1, the work on Hall M of terminal 2 at Paris-Charles de Gaulle airport and the "Hub 2012" project. Between 2011 and 2015, he served as Chairman and CEO of ADPI (a subsidiary of Aéroports de Paris). Since 26 May 2016, Guillaume SAUVE has served as Director of Engineering and Development. Within Groupe ADP, he is also a director of Hub One and Aéroports de Paris Management (French limited companies, subsidiaries of Aéroports de Paris).

## 16.2 FUNCTIONING OF THE COMMITTEES LINKED TO THE BOARD OF DIRECTORS

The Board of Directors created three Committees: an Audit and Risks Committee, a Strategy and Investments Committee and Compensation, Appointments and Governance Committee. The purpose of the Committees is to contribute to the preparation of the Board of Directors' decisions by issuing opinions that are then presented to the Board. The chairmen of the committees or a member appointed by them shall report to the Board of Directors on the proceedings and the opinions rendered by the said committees. Their powers and specific modes of operation are described in the Rules of Procedure which can be consulted at [www.groupeadp.fr](http://www.groupeadp.fr). Their composition and activity during 2016 are described below.

The members of each Committee are appointed, at the proposal of the Chairman and CEO, by the Board of Directors from among its directors according to their competencies in terms of their work and experience, the interest that they have for the different subjects being dealt with and ultimately, their availability. The Chairman of each Committee is appointed by the Board of Directors, following a proposal from the Compensation, Appointments and Governance Committee.

Committee members are elected for a term not exceeding their term as director.

The financial controller and either the chief or vice government representative can attend all of the committee meetings in a consultative capacity. A non-voting Board member can also be appointed by the Board of Directors to participate in a committee's meetings. It is important to avoid the presence of crossed directors between Aéroports de Paris and any other companies, in similar committees.

The Committees meet at least three days before the Board of Directors meeting, except in the case of necessity or material impossibility, the agenda of which contains draft discussions on questions that are relevant to their area. The members of the Committees shall be provided with whichever documents are necessary for their proceedings at least three working days prior to the meeting.

The members of the Committees and all persons invited to committee meetings are bound by a non-disclosure obligation with respect to information that come to their knowledge or to which they have access in the course of their duties.

For the purposes of accomplishing their work, the Committees may hear members of the group's management or they may hire experts or external advisers, as needed. Committees must however ensure the objectivity of the external experts or consultants concerned.

Members of committees linked to the Board of Directors  
at 31 December 2016

	Augustin de Romanet*	Jacques Gounon	Serge Gentili	Solenne Lepage	Françoise Debrus	Geneviève Chaux-Debry	Marie-Anne Donsimoni	Frédéric Mougin	Jos Nijhuis	Jean-Paul Jouvent	Xavier Huillard
<b>Audit and Risk Committee</b>		◆	◇	◇	◇						
<b>Strategy and Investment Committee</b>	◆			◇		◇	◇	◇	◇		
<b>Compensation, Appointments and Corporate Governance Committee</b>		◇		◇	◆					◇	◇
<b>Independent</b>		○			○						
<b>Representative of the government</b>				○		○					

\* Chairman and CEO ◆ Chairman of Committee ◇ Member

### Audit and Risks Committee

#### Composition

The Rules of Procedure require that Aéroports de Paris SA has an Audit and Risks Committee made up of a maximum of five members with voting rights, appointed from among the directors – one of whom represents the government authorities, one director representing the employees and the others are, preferably, independent directors in accordance with the criteria set out by the AFEP-MEDEF corporate governance code, selected from among those directors nominated by the General Meeting of Shareholders. The Audit and Risks Committee does not include any executive officer.

As at 31 December 2016, the Committee includes four members: Jacques Gounon, Chairman, independent director, Serge Gentili, Solenne Lepage and Françoise Debrus as the permanent representative of Predica.

The Board of Directors has noted that the members of the Audit and Risks Committee meet the criterion of financial or accounting expertise provided for by the texts in force.

The presentation in chapter 14 of this Registration Document, of the mandates and functions fulfilled by the directors over the last five financial years attests to their competence in finance and accounting.



## Tasks and functioning

The Audit and Risks Committee's Rules of Procedure are based on the French Commercial Code and the recommendations of the AMF published on 22 July 2010 in the Final Report on the Audit Committee. The Audit and Risks Committee is also subject to Order No. 2016/315 of 17 March 2016, relating to Statutory Auditors, since 17 June 2016.

The Audit and Risks Committee assists the Board of Directors in monitoring the accuracy and reliability of Aéroports de Paris corporate and consolidated financial statements and the consolidated financial statements of Groupe ADP, the efficiency of internal control and risk management systems, the statutory audit of accounts by the Statutory Auditors and the independence of the latter and the relevance of the group's financial policy. It enlightens the Board of Directors on the reliability and quality of information issued to it. It carries out its activities under the latter's responsibility and has no decision-making powers of its own.

The Audit and Risks Committee makes sure of the expertise, independence and objectivity of external experts upon whose services it may call.

The Committee could consider executive officers other than the corporate officers, and under conditions that it determines. It interviews the Executive Director of Finance, Strategy and Administration, the group's General Secretary, the Accounts Director, the Internal Audit Director, the Director of Security, Risk Management and Compliance and the Statutory Auditors.

## The activity of the Audit and Risks Committee in 2016

The Audit and Risks Committee meets at least four times a year and as often as necessary, and can only meet if half of its members are present. In 2016, it met five times with a 100% attendance rate. The Statutory Auditors participated in five meetings of the Committee.

During its meetings, the committee examined in particular files relating to:

- ◆ the approval of corporate and consolidated financial statements for 2016 and half-yearly financial statements for 2015, adoption of the Management Report for 2016, preparation of management planning documents and report on the development of Aéroports de Paris, the consolidated budget forecast for 2017, the group Progress for 2016-2025, the calculation of tariffs for aeronautical charges 2017-2018, the allocation of 2015 earnings and determination of the dividend, distribution of the interim dividend, examination of the financial delegations submitted to the General Meeting of Shareholders;
- ◆ the Report by the Chairman of the Board of Directors on the Financial Security Law for 2015, the status of the 2016 group risk mapping, the deployment of internal audit and information on the security measures in place at Parisian airports, the 2015 appraisal of the activity of the Corporate Audit and Internal Control Division, the progress of the action plan resulting from the recommendations of internal and external audits and the 2017 audit programme;
- ◆ monitoring of off-balance sheet commitments by monitoring of sureties, endorsements and guarantees;
- ◆ update on the cash-flow management policy, the authorisation for issuing bonds 2017;
- ◆ information on the creation of Groupe ADP's fiscal policy, information on the transparency of Groupe ADP's locations and holdings abroad;
- ◆ review of the principal investment products;
- ◆ update on the provisions of Order No. 2016/315 of 17 March 2016, relating to the Statutory Auditors applicable to the Audit and Risk Committee and the members of the Board of Directors;
- ◆ information on the subsidiaries.

## The Strategy and Investment Committee

### Composition

The board's Rules of Procedure require that Aéroports de Paris SA has a Strategy and Investment Committee consisting of a maximum of six members entitled to vote, appointed from among the directors, including two employee representatives.

At 31 December 2016 it is composed of the following six members: Augustin de Romanet, Chairman, Geneviève Chaux Debry, Marie-Anne Donsimoni, Solenne Lepage, Frédéric Mouglin and Jos Nijhuis.

### Tasks and functioning

The Strategy and Investment Committee is responsible for providing advice to the Board of Directors on:

- ◆ the definition and implementation of the strategic policies of Groupe ADP;
- ◆ the Company's strategic guidelines and their effects on the activity, on employment and on the organisation of work;
- ◆ the use of sub-contractors, temporary staff, short-term contracts and internships;
- ◆ the guidelines of Groupe ADP in terms of diversification or growth operations.

It examines the Company's economic doctrine and any issue relating to the definition and implementation of group strategy that the Board of Directors wishes to submit to it.

## Activity of the Strategy & Investment Committee in 2016

The Strategy and Investment Committee meets at least three times a year and as often as necessary, and can only meet if half of its members are present. In 2016, it met five times with a 77% attendance rate. Notably, a strategic seminar of the Board of Directors was also held on 24 November 2016.

Topics specifically covered during its meetings include:

- ◆ the appraisal of Groupe ADP's 2011-2015 strategic plan, the "Connect 2020" (2016 - 2020 road map), the main purchases projects (CDG Express, etc.), Groupe ADP's 2017-2021 purchases and finance programme;
- ◆ the participation in the call for tenders for the international airports concession;
- ◆ Groupe ADP's trademark and commitments;
- ◆ information on the subsidiaries.

## The Compensation, Appointments and Governance Committee

### Composition

The Compensation, Appointments and Governance Committee is made up of no more than five members with right of discussion and vote from among the directors, including a representative of the government authorities, a director representing the employees and directors appointed by the General Meeting. It may not include amongst its members any executive officer and is comprised of a majority of independent Directors.

The executive officer is associated with the Committee's work regarding appointments and succession plans.

As at 31 December 2016, the Committee includes five members: Françoise Debrus, independent director, permanent representative of Predica and Chairman of the Committee, Jacques Gounon, independent director, Xavier Huillard, permanent representative of Vinci, Jean-Paul Jouvent and Solenne Lepage.

The Board of Directors ensured that, in order for it to function correctly, the Compensation, Appointments and Governance Committee is organised so that its chairmanship is entrusted to an independent director and includes all the board's independent directors.

It is recalled that the High Committee of Corporate Governance considers in its activity report for October 2014 that a Compensation Committee including two independent directors out of four members (excluding director representing the employees) should remain in compliance with the intent of the AFEP-MEDEF Code provided that it is chaired by an independent director.

## Tasks and functioning

The duties of the Compensation, Appointments and Governance Committee are to formulate proposals on the amount and progression of total compensation for executive officers, as well as on benefits in kind or any other type of compensation, in compliance with AFEP-MEDEF recommendations, give an opinion on the compensations policy for the company's key executives, propose to the Board of Directors a total amount of and the allocation rule for directors' attendance fees, taking into account their level of attendance at meetings and a policy for the reimbursement of expenses related to carrying out the duties of a director.

It is in charge of making proposals in respect of the future composition of managing bodies, the selection of directors and executive officers, and the preparation of a succession plan for executive officers; it must debate the qualification of independent directors and implement the formal appraisal of the operation of the Board of Directors.

## The activity of the Compensation, Appointments and Governance Committee in 2016

The Compensation, Appointments and Governance Committee meets at least once a year and as often as necessary, and can only meet if two-thirds of its members are present. In 2016, it met three times with a 93% attendance rate.

During its meetings, the committee debated on such topics as:

- ◆ the Compensation of the Chairman and CEO and the Chief Operating Officer: the achievement of targets for the 2015 variable part, an initial estimate of results for the 2016 variable parts, the 2017 fixed compensation, targets for the 2017 variable part; the draft resolution for the "Say on Pay"; attendance fees: evaluation of the 2016 distribution;
- ◆ the Registration Document concerning administrative and executive management bodies and corporate officer compensation for 2015;
- ◆ the compensation policy for members of the Executive Committee;
- ◆ the annual review of the independence criteria for directors;
- ◆ appraisal of the operation of the Board of Directors;
- ◆ the employee shareholding plan.

Given that the information communicated to the Committee or to which they will have access in carrying out their duties is confidential, the members of this Committee are bound to strict confidentiality with regard to any third party on the Board of Directors or Audit Committee, subject to the same system as that applicable to the Company's directors.

## 16.3 CORPORATE GOVERNANCE – ADHERENCE TO THE PRINCIPLES OF GOVERNANCE

With due regard to transparency and public information, and within the limit of applicable laws and regulations, the Board of Directors resolved on 29 April 2009 to refer to the code of governance of listed companies established by the French association of private companies and the Movement of French entrepreneurs (AFEP-MEDEF Code). The Company is also inspired by the charter for relations with public companies that stipulates the rules governing the relations between the French Government Shareholding Agency (APE) and the companies in which the Government holds shares.

In spite of the developments brought in by the Rules of Procedure, derogations to the AFEP-MEDEF remain, mainly applying the specific legislative and regulatory provisions governing the Articles of Association for Aéroports de Paris, or otherwise due to their status as a state-owned company controlled by a majority shareholder. Further information may be obtained in the paragraph on the Chairman's report on the composition of the Board and the application of the principle of balanced representation of women and men therein, the conditions for preparing and organising

the work of the Board of Directors, and the internal control and risk management procedures that the Company has put in place, presented in appendix 2 of this registration document.

## Internal control

Pursuant to the provisions of article L. 225-37 of the French Commercial Code, the Chairman of the Board of Directors must present a report attached to the Board of Directors' management report on the composition of the Board and the application of gender equality, the conditions for preparation and organisation of the work of the Board of Directors, and the internal control and risk management procedures implemented by the Company. The report by the Chairman and CEO, which will be submitted at the Annual General Meeting of Shareholders called to approve the financial accounts for the year ended 31 December 2016, to be held on 11 May 2017 and the report of the Statutory Auditors on this report are presented in appendices 2 and 3.

## SOCIAL, ENVIRONMENTAL AND SOCIETAL RESPONSIBILITY INFORMATION

### 17.1 SOCIAL INFORMATION

Human resources policy	126
Employment policy	126
Training	127
Managerial development	127
Compensation	127
Staff regulations	128
Geographic distribution	128
Working time	128
Labour-management relations	128
Health and Safety	129

### 17.2 SOCIAL INDICATORS FOR GROUPE ADP 133

### 17.3 AÉROPORTS DE PARIS CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY 134

Stakeholder dialogue: materiality study on CSR challenges	134
Group CSR charter: six commitments	134
Fair practices	134
Other actions taken to promote human rights	135
Measurement and ongoing improvement of performance: ratings and benchmarks	135
Subsidiaries committed to sustainable development	135

### 17.4 ENVIRONMENTAL INFORMATION

Environmental and energy policy	135
Certified systems	135
Preventative measures to reduce and remedy air emissions	136
Sustainable use of resources	138
Fight against climate change	139
Adaptation to climate change	140
Protection of biodiversity	140
Environmental indicators for Groupe ADP	140

### 17.5 SOCIETAL RESPONSIBILITY INFORMATION 142

Territorial, economic and social impact of company activity	142
Economic and social development around the platforms	142
Commitment to local employment	142
Dialogue and local partnerships	143
Responsible purchasing and subcontracting	143
Measures to promote the health and safety of consumers	144
Groupe ADP Corporate Foundation	145

### 17.6 METHODOLOGICAL NOTE ON SOCIAL, SOCIETAL AND ENVIRONMENTAL REPORTING 145

Reporting methodology	146
Relevance and choice of indicators	146
Consolidation and internal control	147
External controls	147
Grenelle correlation table	147

## 17.1 SOCIAL INFORMATION

### Human resources policy

The personnel policy and the management of human resources form part of the strategic guidelines of the Company and Group, and are one of the levers for modernisation and progress. The HR policies therefore contribute directly to the priorities of the Connect 2020 strategic plan and the 2016-2020 Economic Regulation Agreement:

- ◇ optimise: monitoring the development of the organisations and businesses, tools and processes, controlling staff costs, in particular by not replacing one in two departures, limiting general increases and performance evaluation, modernising labour-management discussions and labour rules;
- ◇ attract: encouraging employee development, attracting talent and monitoring the development of the managerial culture;
- ◇ expand: protecting the group's identity and developing mobility in France and abroad and supporting job development in the territories.

The objective of the human resources policies is therefore to develop the collective efficiency of the company, while maintaining sustained labour-management discussions which are essential for the development of these projects and the quality of life of employees. These will be integrated throughout the group from 2017.

They also contribute to improved internal functioning of Groupe ADP, a dynamic of sustainable development and risk management.

Information meetings brought together management to share with them, as part of the 2020 Plan Connect Plan, the group's major challenges and strategic directions in terms of human resources for the next five years.

The aim of the efficiency and modernisation plan implemented by the Company is to optimise organisational structures and processes, particularly for the support functions. Inter-departmental synergies have been identified that will optimise the plan and allow it to run more smoothly.

### Employment policy

Aéroports de Paris has drafted its employment policy to both anticipate and manage employment and industry changes, career paths and skills development, and to attract and retain talent. It helps employees to adapt to these changes in accordance with the company's social obligations.

#### Human resource and skills management planning system (GPEC or "*Gestion Prévisionnelle des Emplois et des Compétences*")

Successor to the unilateral measures covering 2012 to 2015, the collective agreement signed by Aéroports de Paris on 29 January 2016 covering 2016 to 2018 on human resources and skills management included the provisions "Training" and "Generation". In particular, its aim is to develop internal advancement and to increase the rates at which vacant posts are filled.

It includes a three-year qualitative overview of jobs and skills, to anticipate the advancement and professional development of its employees, and a communication is sent on this development. The company provides the training required for this development and has a dedicated budget for career advancement and retraining.

### Career progression

The Company deploys programmes with the purpose of encouraging employee advancement and development based on their aspirations and the Company's needs. Employee advising is strengthened through the development of communications on professional horizons and support from the Company's human resources department and company management.

The charter Mobility, at Groupe ADP level, and the mobility principles, were published in June 2015. Tools have been implemented within the mobility department: immersions, job space opened since March 2015, dedicated "mornings" (32 in 2016, for more than 600 people). These initiatives are part of the "My Mob" programme. In 2016, the Mob HR skills management tool, used to define a new skills reference guide linked to jobs and employees, was implemented. In particular, support for newly hired or promoted executives is given during the "executive induction days" that have been organised since 2011. A similar programme was introduced for non-executives in 2013 and for trainees in 2015. They will be integrated into the global induction system created in 2016: "On boarding", which includes different modules for information, exchanges and awareness.

#### "Graduate programme"

The recruitment of young "talent pool" managerial staff has been maintained, with a view to thinking ahead about filling key posts for the company in the medium term. This programme is aimed at recruiting young graduates (engineers, multi-disciplinary/business schools, etc.) identified for their potential and able to hold different functions in the technical, operation and support departments. This programme was revamped in 2015 to become a graduate programme (pooling of recruitment processes: on-site assessment, support after hiring, support in achieving promotion).

### Employer image

Aéroports de Paris is implementing an employer image action plan with a view to raising its profile and boosting its appeal among young students of colleges and universities but also employees looking for external mobility opportunities, whose profiles match the recruitment needs of Aéroports de Paris. In 2015, Aéroports de Paris showcased the group's jobs and employees in a film shown on the internet and social media.

In 2016, while identifying the brand's commitments, those of the Employer Brand were defined: become part of a performing group and work in a growing business sector, develop your skills within an international group that offers many different jobs and career paths, work for a changing group which focuses its attention on its clients and prioritises innovation, belong to a group which is committed to strong managerial values, which is a major player in the region and is socially responsible.

The Company has taken part in 19 forums the aim of which is to attract permanent recruits or interns/trainees and to discover the different jobs within the aeronautical industry. These forums target universities and engineering schools (Bac +5 years), the employment of local residents, persons with disabilities and young people from priority districts. It was a partner of RUE (*Rencontres Université Entreprise*) and APB (*admission post-bac*) forums. The Company has also been recognised for several awards: Happy trainees (interns and trainees), Randstad Award *les victoires du capital humain*: Employer image. It also features in the Employer rankings (in particular Le Figaro, Capital).

## Training

Professional training is one of the tools that can be used to the benefit of Groupe ADP's strategy. It provides support for employment policy, mobility, and projects for the human resource and skills management planning system (GPEC or *Gestion Prévisionnelle des Emplois et des Compétences*). It enables employees to adapt to developments in the organisation of work, technological changes and changes in culture and managerial practice and to develop new skills to assist with professional re-training. Individual professional training may be accompanied by being placed in a work situation as part of a mobility project. Given the nature of the jobs within the Company, regulatory training is important.

Employees undergo group training focusing on the company's major strategic guidelines. Accordingly, corporate social responsibility (CSR) is part of several internal training modules. Training sessions for mobility/retraining take the form of validation of prior experience (VAE), long training sessions and modular training for new employees. Training is included in the global agreement about "GPEC", training and generation contracts.

In addition, in 2016 the work/study training policy resulted in the integration of 110 work/study trainees. Of these, 80 were apprenticeship contracts and 30 professional training contracts.

Groupe ADP's subsidiaries develop the training programmes corresponding to their activity.

## Managerial development

Within departments, managers relay human resources policies with the help of the local human resources department. They set goals for their units in terms of workforce, develop skills and help with the completion of professional projects. They are associated with company agreements and their implementation, and contribute to risk prevention. They are given training to enable them to oversee these missions. Managers are made aware of the human values contained in the company's corporate policy.

In 2016, support measures for Aéroports de Paris executives continued, focusing on managerial practices (setting individual goals, performance management, individual advancement methods), and professional development (visibility of career development and developing skills through mobility, identifying key posts, career reviews).

12 executives and 202 high-level employees participated in the Trajectories programmes this year, with modules centred around management fundamentals and techniques.

The management development policy aimed at team or project managers aims to help build a management and leadership culture that embodies the values and strategic ambitions of Groupe ADP and allows us to meet the challenges of agility, cooperation and trust to act in transformations. In terms of managerial approach, our focus is on daily work relations. The group's four values are trust, commitment, boldness and openness and have formed the basis on which the managerial model was prepared. This approach brings together the entire managerial community. In order to help all managers to translate these values into their daily responsibilities, the "Attitude Manager" training focuses on the roles of the manager, as expected by the company and as a result of its values. It was rolled out at the end of 2015 and will continue to 2017. In 2016, 62% of managers (more than 1,100 people) benefitted from this training. In addition, a Guide manager and an online toolkit were made available.

The mentoring programme continues to grow and will get receive a new lease of life in January 2017 with support from the Top 100, the implementation of co-development workshops and a 360° feedback pilot project.

## Compensation

### Wages and salaries

The management and executive compensation system effective since January 2011 takes into account the quality of contribution and skills development. The variable portion, which is tied to the achievement of targets, has been gradually strengthened.

In 2016 and 2015, there was no wage agreement or any unilateral measures.

Pursuant to the agreement on professional equality between men and women, the analysis of wage differentials had resulted in remedial measures for 2010, 2011 and 2012. In 2013, 26 employees benefitted. Since 2014, situations are examined on a case-by-case basis.

Employees benefit from a complementary health insurance and pensions contract.

Each subsidiary has its own compensation system.

### Incentives and profit sharing

A new incentive agreement for Aéroports de Paris was signed on 24 June 2015 for years 2015 to 2017. It provides for the payment of a profit-sharing bonus if two major criteria are achieved: economic performance and customer satisfaction. A bonus may be paid, depending on the number of objectives achieved each year from the following three: frequency rate of workplace accidents with lost time, revenue per departure passenger in reserved zone, control over operating costs per passenger (arrivals and departures).

ADP Ingénierie, Hub Safe and Hub One also have incentive agreements.

In 2016, the incentives recorded for Groupe ADP totalled €14 million, compared with €18 million in 2015.

Aéroports de Paris and its wholly-owned subsidiaries (apart from Aéroports de Paris Management) have implemented a profit-sharing mechanism for their employees. €23 million was paid out in profit sharing for the entire group in 2016, compared with €20 million in 2015.

### Group employee savings scheme and employee share ownership policy

From 1 January 2011, the *Plan d'Épargne Groupe* (Group Savings Scheme) (PEG) replaced the *Plan d'Épargne Entreprise* (Employee Savings Scheme) (PEE) and Aéroports de Paris' *Plan d'Épargne pour la Retraite Collectif* [Group Retirement Savings Scheme] (PERCO) became "PERCO Groupe" (PERCOG), thus enabling subsidiaries that were already subscribed to the PEG to join should they wish to do so.

These two salary saving schemes give employees of Aéroports de Paris and its subsidiaries the opportunity to put together a portfolio of securities that may be contributed to by the Company.

Regarding Aéroports de Paris, company allowances are reserved exclusively to payments made to the *Fonds Commun de Placement d'Entreprise* [Investment Fund] (FCPE) of the "Aéroports Actionnariat" employee shareholdings, within the framework of the PEG and payments made to the PERCOG.

In 2016, the allowance made by the Company was €9 million (€8 million in 2015 and €7 million in 2014).

In 2016, a resolution of the Extraordinary General Meeting of Shareholders authorised the implementation of an employee share ownership structure, comprising two facets: an offer to purchase Company shares at preferential conditions reserved for employees and previous employees of Aéroports de Paris and its subsidiaries belonging to the Group Savings Plan in its version revised by rider No. 4 of 10 December 2015 and a free allocation of Company shares. The transaction totalled €25 million, provisioned in 2015.

## Staff regulations

The contracts of Aéroports de Paris employees are subject to private law and the Employment Code. With the exception of staff governed by a specific contract, there are specific regulations for apprentices with apprenticeship contracts and young people with specific contracts linked to the job policy. The provisions of the staff regulations have replaced

those of the Employment Code, which remain applicable where the staff regulations do not contain specific provisions.

Employees of the other companies within the group are subject to specific collective bargaining agreements pertaining to their line of employment.

## Geographic distribution

Geographic distribution Groupe ADP <sup>1</sup>	2016	2015
France	8,686	8,733
European Union excluding France	4	7
Other Europe	0	1
North America	0	0
South America	9	14
Middle East	165	164
Southeast Asia, India, China	9	14
Africa	14	12
<b>TOTAL</b>	<b>8,887</b>	<b>8,945</b>

## Working time

In accordance with the legal rules governing working time, the number of working hours at Aéroports de Paris SA is a result of the agreement on the organisation and reduction of working hours signed on 31 January 2000 (and its rider signed on 7 October 2007) and supplemented by the Solidarity Day Agreement of 29 March 2005 and its rider signed on 6 November 2008.

It is:

- ◆ 1,569 hours annually for non-management and non-executive employees on administrative, workshop and rolling work schedules;
- ◆ 1,501 hours annually for non-management and non-executive employees on uninterrupted work schedules; and
- ◆ 204 days annually for managers and executives.

Two agreements were signed in 2016, one on remote working on 15 December and one on the Time Savings Account on 26 December.

Riders governing situations unique to certain employees, including rescue and fire-fighting services (SSLIA, or *Service de Sauvetage et de Lutte contre l'Incendie des Aéronefs*, agreement of 6 April 2001 as amended by the agreement of 28 December 2006), emergency medical services (SMU, or *Services Médicaux d'Urgence*, agreement of 30 January 2002 and rider of 22 December 2008) and telephone switchboards (agreement of 24 July 2001).

Two agreements were signed in 2016:

- ◆ on remote working on 15 December;
- ◆ on the Time Savings Account on 26 December.

Each subsidiary is responsible for organising its own working time.

## Labour-management relations

Aéroports de Paris places particular importance on the quality of labour management discussions. The development of modes of consultation and communication help to improve the quality of the corporate climate and encourage the individual and collective efficiency that contributes to the growth of the company.

In accordance with the laws of 4 August 1982 and 3 August 1986 relating to employees rights of expression (protocol signed on 23 December 1987) and the law of 14 June 2013 on job security, Aéroports de Paris agrees to ensure quality labour management discussions while respecting the principles of the International Labour Organisation (ILO): the group develops this dialogue through the recognition of trade unions, the right of employees to join a trade union, the right to union education and its willingness to communicate through trade union bodies and meetings and staff representatives.

Dialogue is structured around a Groupe ADP committee and a Works Council for Aéroports de Paris, with a central body of employee delegates as well as 50 union delegates in accordance with the 2015 union rights agreement which significantly increased the number of union mandates.

The health and safety policy was renegotiated in 2016 and three agreements were concluded relating to the scope of the CHSCTs (Health and safety committee) (seven committees), the creation of a CHSCT coordination body and resources allocated to the CHSCTs. An inter-company committee will handle the company's prevention policy. These were signed on 9 January 2017.

An agreement was also negotiated in 2016, relating to the conditions regulating mandatory negotiations, in accordance with the "Rebsamen" law of 17 August 2015. Four negotiating blocks were defined, three of which are held once every three years: compensation and distribution of added value (annual), working time and quality of working life, diversity, jobs and career management. It was signed on 10 January 2017. A collective agreement relating to arrangements for notifying and consulting the Works Council was also negotiated in 2016 and signed on 10 January 2017.

The agreements concluded will be made known to all employees, using several tools such as the intranet, internal newsletters, or "Infodif" (multicast).

<sup>1</sup> Excluding Média Aéroports de Paris

Collective agreements signed by theme – Aéroports de Paris SA	2016	2015	2014
Compensation (employee agreements, incentives, profit sharing, medical expenses)	1	2	2
Employee representation	1	1	1
Diversity	1	-	1
Professional elections	1	2	-
Professional networks	-	-	-
GPEC <sup>1</sup> , training, generation contract	1	-	1
Training	-	-	1
Working time	3	-	-
Workplace health and risk prevention	-	-	-
Aéroports de Paris	-	1	-
Organisations	-	-	-
Pensions	-	-	1
Savings plan (Company and Group)	-	2	-
<b>TOTAL</b>	<b>8</b>	<b>8</b>	<b>6</b>

The subsidiaries also signed agreements in 2016: ADP Ingénierie (NAO, a new generation contract was negotiated), Hub One (Incentives 2016-2018, adherence to the PERCOG and allowance 2016-2019, PEG and allowance 2016-2019, distribution of bonus shares within Groupe ADP, annual overtime allowance, NAO), Hub Safe (distribution of bonus shares within Groupe ADP, riders to profit-sharing and incentive agreements – negotiations started in relation to the GPEC (Human resource and skills management planning system) and the generation contract as well as professional equality and working life quality).

## Health and Safety

### Prevention of occupational risks

The frequency rate of workplace accidents for Aéroports de Paris SA fell in 2015 but increased in 2016 (see workforce-related indicators below).

The background work started in 2015 by means of the mobilisation plan for safety, created and promoted by the executive committee, continues. It includes continuous improvement actions and focuses on three priority cross-over areas for prevention: attacks and anti-social behaviour, risks involved in transfers and psycho-social risks. These priorities are the subject of a communication and commitment from the Chairman & Chief Executive Officer to all employees. Days on the theme of workplace safety were held on 17 November 2015 and 19 May 2016 in order to launch the mobilisation plan and involved all the company's managers and employees.

In light of the results observed, mobilisation was reinforced and an emergency plan was implemented in October 2016. Detailed follow-ups of work accidents are on the agenda for the Executive Committee (COMEX). The COMEX members attended the most recent day in person on 17 November 2016. Additional actions were implemented, both inter-company (such as improved accident analysis and pooling of action plans) and specific (such as protection, alert systems for staff mobility, etc.). Management's involvement has been increased.

Additionally, the overhaul of prevention tools resulted in all workplace risk evaluation procedures being redefined and these evaluations (including difficulty factors) being incorporated into an integrated information system. This system was rolled out in 2016, and also makes it possible for workplace accidents and professional diseases to be monitored and analysed.

As in previous years, continuing improvement actions have been ongoing, mainly with a view to:

- ◆ preventing risks: dangerous chemical agents, asbestos, electrical, handling, musculo-skeletal disorders;
- ◆ improving coordination;
- ◆ improving prevention regarding joint business situations;
- ◆ making employees aware on a regular basis of the importance of wearing Personal Protection Equipment.

### Prevention of psychosocial risks

The prevention of psychosocial risks, which may be of internal or external origin, for example customer relations, is one of the priorities of the Aéroports de Paris SA mobilisation plan:

- ◆ raising awareness and training individuals in the alert network, and including psychosocial risk prevention in the professional training received by managers;
- ◆ evaluating psychosocial risks and analysing accidents to prevent situations of discontent;
- ◆ building prevention of psychosocial risks into project management, particularly prior to reorganisations, promoting a good understanding of priorities, the contribution of each individual, independence and cooperation.

The "living well at work" agreement was signed on 28 August 2013 for three years. Significant efforts have been made to ensure that managers grasp the principles of the agreement, mainly among the management committees, in line with the Company's values. There is a procedure for handling individual and collective situations of discontent.

A methodological guide to take human factors into account in projects is being prepared. As part of a collaborative and multidisciplinary framework, and in association with the inter-company CHSCT, a document should be produced to assist project managers in preventing psychosocial risks.

The methodology for evaluating psychosocial risks was finalised and documented in the Single Document. The units have been trained and are being supported in assessing these risks. The "Single Document" is currently being updated.

The social barometer gives a snapshot of the company environment and its main sectors and is a tool to help managers communicate with their teams. It takes place every other year, given the time needed to implement the action plans. The 2015 social barometer was carried out in October, with a 50% participation rate. These results, along with the action plans, were presented and the action plans were prepared in 2016.

## Annual report on workplace hygiene, health and safety

The relevant agreements in force in 2016 for Aéroports de Paris SA are the following:

- ♦ agreement defining "the operational resources of local CHSCTs and the inter-company CHSCT" signed on 28 September 2012;
- ♦ agreement regarding the "creation of an inter-company CHSCT", signed on 9 August 2012 and implemented in 2013;
- ♦ the "living well at work" agreement was signed on 28 August 2013 for three years.

## Diversity policy

Aéroports de Paris joined the diversity charter in 2013 and in 2015 updated the analysis established in 2010. It has also worked on the diversity recruitment process with its subsidiaries.

These commitments form part of the successive agreements that the company has undertaken for several years within the different areas related to equal opportunities: the inclusion of disabled workers (1<sup>st</sup> collective agreement in 1991), professional equality (1<sup>st</sup> agreement in 2003) and more recently via the collective agreement signed at the end of 2009 on the retention of seniors employment followed by the action plan relating to the 2013-2015 generation contract. The integration and support of young people is also a core concept in our training programmes.

Provisions relating to the employment of young people and seniors are now incorporated into the global collective agreement of 29 January 2016 on training and generation contracts. They are subject to specific commitments which are described below.

Before committing to a certification process, further global negotiations were launched in 2016: these aim to take on inter-company commitments for all discrimination criteria, while taking into account specific commitments if necessary.

The extra-financial rating of Groupe ADP by Ethic-Finance increased by 4 points to 82/100 between 2014 and 2016 with, in particular an increase of 2 points in the theme Human Capital, to 79/100. The parent company increased by 3 points to 83/100 and by 1 point in Human Capital, to 79/100. These ratings correspond to the level "Excellence".

## Gender equality in the workplace

Aéroports de Paris' fourth three-year agreement on gender equality in the workplace covers the 2014-2016 period. The purpose of the Aéroports de Paris professional equality guidelines and the associated measures is to ensure equal pay, improve job desegregation and act in favour of a work-life balance.

The percentage of female employees in the company is 37.9%, the same as 2015 and 2014. A significant proportion of recruitment is still in the male-dominated technical and regulatory roles. The gradual rebalancing of men and women in the corporate hierarchy has been stabilised. The proportion of women in the executive category is 36.1% (36.3% in 2015, 35.6% in 2014, 34.8% in 2013). A partnership was forged in 2015 with the "Elles bougent" association, which encourages women to work in engineering and technical roles, via its network of female sponsors who are also company employees.

In 2013, Aéroports de Paris SA applied the additional corrective salary measures as set forth in the agreement. 26 female employees benefited from these measures, in addition to the 120 and 79 adjustments made in 2011 and 2012, respectively. Since 2014, situations are examined on a case-by-case basis. In 2016, out of 11 requests studied, 3 situations resulted in remedial measures. The salary gap between men and women (in average gross wages) is stabilising compared with 2015, at 9.3%. In 2016, more females were promoted than men, just like in 2015.

Workforce distribution by gender <sup>1</sup>	2016		2015	
	Men	Women	Men	Women
Aéroports de Paris	62.1%	37.9%	62.1%	37.9%
ADP Ingénierie	72.4%	27.6%	72.4%	27.6%
Aéroports de Paris Management	73.6%	26.4%	81.4%	18.6%
Hub Safe	52.5%	47.5%	52.3%	47.7%
Hub One	73.5%	26.5%	74.4%	25.6%

<sup>1</sup> Excluding Média Aéroports de Paris.

## Retention of seniors employment

Provisions relating to the employment of seniors are now incorporated into the global collective agreement on GPEC, training and generation contracts.

The agreement stipulates a 2% senior (at least 50 years old) hiring rate in 2016-2018, an average percentage of the workforce aged 55 and over of 14.5%, measures to improve working conditions and prevent difficult working conditions, anticipate career development, skills development and access to training and end-of-career management (interviews, aid for the purchase of contribution quarters, part-time hours). The transfer of knowledge and skills is supervised.

In 2016, the recruitment rate was 4.4% of permanent hires and employees aged over 55 years old accounted for 20.5% of average staff numbers. 27 employees benefited from end-of-career part-time hours as of 31 December 2016.

## Employment of young people

Provisions relating to the employment of young people are now incorporated into the global collective agreement of 29 January 2016 on training and generation contracts.

Management undertook a commitment to bringing in young people; the target is for 30% of new recruits over the life of the agreement to be young employees on permanent contracts. In 2016, this rate was 45.9%. On-boarding programmes and tutors have been put in place, with a particular focus on their training. The company also reaffirmed its desire to expand the use of work/study programmes as a preferred means of bringing young people on permanent contracts into the company, in line

with the needs identified. The recruitment of permanent staff from work/study programmes is 11% (target over the life of the agreement: 15%). The rate of employment of interns is 1.8% of the workforce (target: 3%).

Aéroports de Paris has continued its recruitment efforts in passenger handling by means of future sustainable jobs or generation contracts, primarily in the Car Park agents area.

#### Aéroports de Paris SA workforce distribution by age

	2016	2015
Under 25 years old	1%	1%
25 to 49 years old	58%	61%
From 50 to 60 years old	38%	35%
Over 60 years old	3%	3%

## Employment and integration of disabled people

A new agreement was signed on 25 January 2016 for the 2016-2018 period, reaffirming Aéroports de Paris' commitment to this field since 1991. In particular, it includes appointment targets over the life of the agreement: 15 permanent (5 recruits in 2016) 6 work-linked training (1 completed), 15 assisted or fixed-term contracts (2 made), 6 internships (6 made) and service purchases (€0.8 million per year: €0.837 million completed). It also allows for better support of the integration of disabled workers through the commitment to adapt their working environment according to their needs and promote the actions of the employees who support them.

As part of its policy to foster relationships with schools and welcome students with disabilities, in July 2013 Aéroports de Paris signed a partnership with Institut National des Jeunes Sourds.

The level of employment achieved in 2016 was 7.24% (6.74% in 2015, 6.46% in 2014 and 5.8% in 2013).

Disabled persons accounted for 3.7% of external hires in 2016.

## Diversity in the subsidiaries

Collective agreements on gender equality in the workplace were signed with ADP Ingénierie (2014) and Hub One (2014), and on the "generation contract" (in 2013 and 2015). Hub Safe has an action plan relating to the generation contract and an action plan concerning professional equality: negotiation of collective agreements is in progress.

In addition to these agreements, each subsidiary of Aéroports de Paris signed the Diversity Charter on 17 April 2014. This commitment confirms the policy of the group in this area and marks the launch of a common approach to reflecting on the priority actions to be taken.

## Sheltered and protected employment sector

In 2016, Aéroports de Paris ordered services worth over €837,000 from 24 suppliers in the sheltered and protected sector, in line with the annual target set out in the agreement on the employment of disabled persons. The services are very diverse in nature (cleaning of vehicles, collection of light waste, care of green spaces, small building maintenance projects, plan updates, post management, administrative work, catering and food trays, etc.) and 82% are covered by multi-year contracts.

The work of the Mission Handicap and the Purchasing department, with the involvement of advisory bodies, has made it possible to maintain momentum in terms of the work being done to develop and perpetuate purchases with the sheltered and protected employment sector. These results also come from the partnership with the GESAT, a major organisation in the sector, facilitating the relationship between Aéroports de Paris, its counterparts from ordering parties and the service providers.

## Promotion of and compliance with the provisions of the fundamental conventions of the International Labour Organisation

Beyond a proactive policy where respect for human rights contributes to the functioning of the company, Aéroports de Paris has developed its activity in accordance with the principles of the Global Compact, to which it has been a signatory since 2003. The group undertakes to respect and promote the provisions of the fundamental conventions of the International Labour Organisation (ILO). More generally, extra-financial ratings, actions and communication on the company's processes rely on the ISO 26000 guidelines, which are the performance benchmark for CSR used by the company.

The commitment to the principles of the ILO and the Global Compact is realised by actions undertaken in these areas, as described in the table below:

Principles of the Global Compact and the ILO	Actions undertaken
<b>Human rights</b>	
1. Support and respect the protection of international law on human rights within the group's sphere of influence	Aéroports de Paris Code of conduct and the four wholly-owned subsidiaries' codes of conduct (ADP Ingénierie, Aéroports de Paris Management, Hub Safe, Hub One), Group CSR charter
2. Ensure that the Groupe ADP's companies are not complicit in violations of human rights	Aéroports de Paris Code of conduct and the four wholly-owned subsidiaries' codes of conduct (ADP Ingénierie, Aéroports de Paris Management, Hub Safe, Hub One)
<b>Labour standard/ILO principles</b>	
3. Uphold freedom of association and the effective recognition of the right to collective bargaining	Individual right to union training and signature of an agreement on trade union rights
4. Eliminate all forms of forced or compulsory labour	Integration of ethical criteria into Aéroports de Paris specifications applicable to our suppliers and service providers
5. Ensure the effective abolition of child labour	Integration, through Aéroports de Paris, of a code of purchasing ethics annexed to supplier and service provider contracts to reduce the risk of child labour
6. Eliminate discrimination in the workplace and professions	Aéroports de Paris is committed to fighting discrimination through the signing of two agreements: gender equality (2014-2016), inclusion of disabled persons (2013-2015) and an action plan relating to the generation contract (2014-2016)
<b>Respect for the environment</b>	
7. Support a preventative approach to environmental challenges	Groupe ADP environmental policy
8. Undertake initiatives to promote greater environmental responsibility	Implementation of a training and environmental awareness programme for all Aéroports de Paris employees
9. Encourage the development and diffusion of environmentally friendly technologies	Aéroports de Paris technological monitoring and innovation (renewable energies)
<b>Fight against corruption</b>	
10. Work against corruption in all its forms, including extortion and bribery	Member of the NGO Transparency International France Signatory of Transparency France's declaration promoting responsible lobbying Review of the second three-year programme to prevent fraud 2012-2014 for Aéroports de Paris and establishment of a 2015-2017 draft project for Groupe ADP Commitment against corruption in all its forms in Groupe ADP Ethics Charter

## 17.2 SOCIAL INDICATORS FOR GROUPE ADP

A methodological note on social and environmental reporting is provided at the end of the chapter.

	Scope	2016	2015	Change
<b>Average staff numbers</b>				
Aéroports de Paris	2	6,478	6,553	-1.1%
Subsidiaries		2,409	2,392	+0.7%
<i>of which Hub Safe</i>		1,498	1,494	+0.3%
<i>of which ADP Ingénierie</i>		412	411	+0.2%
<i>of which Hub One</i>		448	447	+0.2%
<i>of which Aéroports de Paris Management</i>		51	40	+27.5%
<b>TOTAL GROUPE ADP</b>	<b>1</b>	<b>8,887</b>	<b>8,945</b>	<b>-0.6%</b>
Feminisation rate	2	37.9%	37.9%	-
<b>Appointments/Departures</b>				
Appointments	1	768	616	+24.7%
On a permanent basis	1	247	205	+20.5%
On a fixed term basis	1	521	411	+26.8%
Departures	1	913	661	+38.1%
<i>of which were dismissals due to disability</i>	1	38	27	+40.7%
<i>of which were dismissals on economic grounds</i>	1	-	-	na
<i>of which were dismissals due to personal reasons</i>	1	33	44	-25.0%
Rate of promotion (%)	2	4.0	3.9	+2.6%
<b>Compensation</b>				
Average gross monthly compensation ( <i>in €</i> )	2	4,586	4,527	+1.3%
Gross wage bill ( <i>in €m</i> )	1	484	473	+2.3%
Social security charges ( <i>in €m</i> )	1	234	240	-2.5%
Incentives and profit sharing ( <i>in €m</i> )	1	37	38	-2.6%
<b>Working time</b>				
Full-time employees	2	5,874	5,931	-1.0%
Part-time employees	2	604	622	-2.9%
Absence rate	(✓) 2	7.0%	7.1%	-0.1pt
<i>of which illness</i>	2	5.2%	5.3%	-0.1pt
<i>of which maternity - paternity</i>	2	0.4%	0.4%	-
<i>of which authorised leave</i>	2	0.6%	0.7%	-0.1pt
<i>of which work and journey accidents</i>	2	0.8%	0.7%	+0.1pt
Overtime	2	11,634	12,475	-6.7%
<b>Employee benefits</b>				
Sums paid out to the Works Council ( <i>in €m</i> )	2	6.5	6.4	+1.6%
Staff restaurant subsidies ( <i>in €m</i> )	2	8.7	8.5	+2.4%
<b>Health and safety conditions</b>				
Frequency rate	(✓) 2	16.63	12.3	+35.2%
Severity rate	2	1.08	1.05	+2.9%
Number of workplace accidents with lost time	1	344	297	+15.8%
Professional diseases declared over the year	2	3	16	-81.3%
<b>Training</b>				
Sums paid out for professional training ( <i>in €m</i> )	2	20	22	-11.0%
Average number of hours of training per employee	(✓) 1	24	27	-11.1%
Total number of training hours		222,366	246,483	-9.8%
<b>Employment and integration of disabled workers</b>				
Number of disabled workers	2	397	373	+6.4%
Number of disabled workers appointed on permanent contracts	2	5	1	+400.0%

Scope 1: Groupe ADP.

Scope 2: Aéroports de Paris company.

(✓) 2016 data checked by Deloitte with reasonable assurance.

## 17.3 AÉROPORTS DE PARIS CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Each year, Groupe ADP reports on its sustainable development activities in its "Corporate Social Responsibility Disclosure" prepared according to the 4<sup>th</sup> generation of guidelines relating to management and reporting of the Global Reporting Initiative (GRI), which can be downloaded from the website: [www.groupeadp.fr](http://www.groupeadp.fr), in Documents under the CSR tab in the group section.

There is also more general information available in the Activity and sustainable development report which is available in hard copy format and digital format on the website.

The Environment and Sustainable Development Division applies the company's policy in accordance with ISO 26000 guidelines.

### Stakeholder dialogue: materiality study on CSR challenges

Listening, dialogue and consideration of stakeholder expectations are the driving forces behind the Aéroports de Paris corporate social responsibility strategy. This ongoing dialogue with all stakeholders makes it possible to better identify changes, priorities and new expectations so that we can include them in CSR strategic projects.

Since 2006, Aéroports de Paris has mapped its stakeholders and ensures that involvement and consultation methods are in place<sup>1</sup>, in particular satisfaction surveys (on passengers and occupants of airport facilities) and individual and group meetings (with shareholders, investors, the media and local elected officials, etc.).

Based on the new stakeholder mappings and the materiality matrix<sup>2</sup> completed in 2014, Groupe ADP has adapted its CSR challenges for 2016-2010, in line with the group's strategic plan *Connect 2020*. The main challenges identified by the materiality matrix are airport security, improving environmental performance, employee health and safety, customer services (airline companies and passengers), activity continuity and crisis management.

A new materiality study will be performed in 2017.

### Group CSR charter: six commitments

The Chairman and CEO of Aéroports de Paris and the executive directors of its wholly-owned subsidiaries signed the Group CSR Charter at the beginning of 2015. Under this charter, Groupe ADP has the following six commitments:

- ◆ ensure exemplary governance;
- ◆ place people at the heart of its strategy;
- ◆ satisfy all customers;
- ◆ control and minimise its impact on the environment;
- ◆ ensure ethical and responsible purchasing; and
- ◆ promote local community involvement.

The group CSR Charter illustrates the group's enhanced CSR management process and serves as a basis for the adaptation of the thematic charters signed at the group level, such as the Ethics Charter (described in chapter 4) and the Diversity Charter.

The Group's Responsible Lobbying charter, validated in 2016, reaffirms the commitments of Groupe ADP employees to promote transparency and integrity in relation to lobbying.

Aéroports de Paris executives received training dedicated to Groupe ADP's CSR policy and actions in 2016. This CSR training has been extended to "new recruits" (integration seminar) and non-executives.

### Fair practices

The Group's Ethics Charter, signed by the Chairman and CEO and the chairmen of the main subsidiaries, reaffirms nine principles aimed at guiding behaviour at work, including the principles of loyalty, equality and integrity and respect for competition. The Charter was sent to all employees in 2015 with a voluntary pact in electronic format, allowing employees the possibility of consulting the group's ethics guidelines. It was sent to all promoted employees and new recruits and can be consulted by all suppliers and subcontractors.

### Fight against corruption

By adding two objectives relating to its ethics approach into the Group's General Secretariat's 2016-2020 roadmap, the Executive Management reaffirmed its commitment to placing an emphasis on the code of conduct and ethics in business.

As a member of Transparency International France, and its "Forum of Entreprises Engagées", Aéroports de Paris maintains an ongoing dialogue with the association on its anti-corruption measures and progress. Through the forum, the subsidiaries maintain a privileged link with this organisation.

Committed to basing its development on principles which reflect its ethical commitment, Groupe ADP signed the Transparency International France declaration in favour of responsible lobbying. At the end of 2016, it also signed, with the association's support, a Responsible Lobbying Charter which will be sent to those employees concerned. It has also introduced a rule prohibiting financing of any political party.

Groupe ADP continues to strengthen prevention, detection and treatment of fraud with its 3<sup>rd</sup> anti-fraud plan for 2015-2017.

To promote the understanding and the application of ethical principals, "Ethical reflex" cards, which present very specific cases, were sent to managers and Human Resources managers in 2016 to help them in supporting employees in the application of ethical principles. Employees can access these on the HR intranet.

Moreover, the code of good conduct for data security (COBOSI), in appendix of Aéroports de Paris' rules and regulations, was updated and came into force in 2016 in all Groupe ADP's entities.

Then, to bolster the ethical approach to internationally-led projects, recommendations and suggestions for mechanisms to be implemented were submitted to the first Group Committee in 2016. Since then, the evaluation of the ethical risk was integrated into the Golden Rules and will be systematically completed for international projects. Furthermore, communication actions on the theme of ethics and the fight against corruption are regularly carried out for subsidiaries and shareholdings. As example, these awareness-raising actions, begun in 2015, were realised in 2016, with a visit of the base camps of large projects in the Gulf ensured respect of Groupe ADP rules.

<sup>1</sup> The consultation methods are outlined on our website in the CSR section.

<sup>2</sup> Translation of "materiality" used in the sense of "relevance".

## Other actions taken to promote human rights

As a member of the Global Compact since 2003, who renewed its Advanced Level status again this year, Aéroports de Paris supports and promotes its commitments to respecting human rights internationally. Its commitments are subject to agreements, contracts and CSR self-evaluations with its suppliers and service providers in respect of human rights.

Having signed the Mobilisation charter to fight for equality against racism adopted by the Defender of Rights, Groupe ADP makes available to its passengers a contact form to report any discriminatory act. The form is available on the website [www.groupeadp.fr](http://www.groupeadp.fr)<sup>1</sup>.

## Measurement and ongoing improvement of performance: ratings and benchmarks

Corporate social responsibility puts the principles of sustainable development to work in the enterprise. Aéroports de Paris exercises this responsibility to its stakeholders through a policy based on reducing the environmental impacts of its operations and creating positive externalities based on economic and social cooperation programmes with local communities as part of its CSR strategy. The CSR risk factors are identified and taken into account in risk management<sup>2</sup>.

Since 2005, sustainable development and corporate responsibility performance has been assessed by an independent extra-financial rating agency. In 2016, Ethifinance performed a full rating of Aéroports de Paris and its subsidiaries ADP Ingénierie, Aéroports de Paris Management, Hub Safe and Hub One, in relation to corporate governance, the environment, community involvement, human resources, clients and purchases. The rating increased 4 points between 2014 and 2016 and was 82 out of 100, Ethifinance's highest level of maturity ("excellent"). The scores for Aéroports de Paris and all its rated subsidiaries are up. For the parent

company, all areas are rated as "excellent", demonstrating the extent of the commitments made on all evaluated subjects, the successful implementation of the actions and advance performance. Improvement points from this evaluation feed the improvement plans managed by each entity and are coordinated by the Environment and Sustainable Development department.

In 2015, the English firm Sustainalytics compared five major European airports – LHR Airports Limited, NV Luchthaven Schipol, Fraport AG, ENAIRE (ex-AENA) and Aéroports de Paris – as well as the TAV group (TAV Havalimanlari Holding A.S.). Recognised by Sustainalytics as a European leader in CSR, Aéroports de Paris is committed to maintaining its position as a leader within the airport field.

Groupe ADP belongs to a number of socially responsible investments indexes, particularly the Dow Jones Sustainability Index World and Europe, its rating for the latter was 78/100 in 2016. Aéroports de Paris also features in the ISR Euronext Vigeo Monde 120 and France 20 indexes (in 2015), Euronext Vigeo Europe and Eurozone (in 2012), FTSE4GOOD (in 2015), MSCI (in 2012), Ethibel (in 2009), Okeom Prime (in 2014). In 2016, Groupe ADP was rated B in its evaluation (from A to D) of the Carbon Disclosure Project.

## Subsidiaries committed to sustainable development

Since 2009, a CSR network has brought together the sustainable development officer for each of the major subsidiaries and the Environment and Sustainable Development Department of Aéroports de Paris.

Like Aéroports de Paris, the main subsidiaries of Groupe ADP have been subject to an extra-financial rating since 2014. Completed in 2016 by Ethifinance, this rating attests significant changes for each of the subsidiaries with a rating of 66 for ADP Ingénierie (+6 points compared to 2014), 63 for Aéroports de Paris Management (+3 points), 73 for Hub One (+6 points), 66 for Hub One Mobility (+8 points) and 77 for Hub Safe (+6 points).

17

# 17.4 ENVIRONMENTAL INFORMATION

## Environmental and energy policy

Signed by the Chairman and CEO, the environmental and energy policy of Aéroports de Paris expands its collaboration with all of its stakeholders:

- ♦ optimising, by going beyond the regulatory compliance requirements;
- ♦ attracting, by strengthening the existing systems and integrating all posts, employees and suppliers, the airport community and all stakeholders;
- ♦ expanding, so that Groupe ADP leadership serves as a base in terms of sustainable development and CSR, for its development in France and internationally, its competitiveness and valuation.

It includes on six themes (energy, water, waste, travel, air and emissions, biodiversity, land development and sustainable buildings), objectives linked in particular to the financial policies of the economic regulation agreement (ERA) 2016-2020 and the energy transition law of August 2015.

## Certified systems

The environmental and energy policy is based on the systematic integration of environmental factors into all activities, in particular through the application of international standard ISO 14001 at Paris-Charles de Gaulle (certified since 2001), Paris-Orly (certified since 2002) and Paris-Le Bourget (certified since 2005) airports, the Issy-les-Moulineaux heliport (certified since 2009) and the Toussus-le-Noble civil general aviation aerodrome (certified since 2015). Certification of their environmental management systems (EMS) is renewed continuously.

Management at Paris-Charles de Gaulle and Paris-Orly have adopted an integrated management system (IMS) based on the respect of three international standards: ISO 9001 (quality management), ISO 14001 (environmental management) and OHSAS 18001 (management of health and safety at work). IMS audits were carried out in 2016 and were passed by Paris-Charles de Gaulle and Paris-Orly airports.

In June 2015, Aéroports de Paris was the first group managing a large airport system to obtain ISO 50001 certification for its operation and development of airports in Île-de-France and its energy management system (EMS) based on fossil fuels and renewables (biomass, geothermal, photovoltaic). The follow-up audit in 2016 recorded an improvement in operational management.

<sup>1</sup> Passengers section, under the Services tab/Help & Lost Property/Help and Contact/Claim.

<sup>2</sup> See appendix 2: "The systems and procedures for internal control and risk management" in the Chairman's report on the internal control and risk management procedures.

The certification for environmental management systems covers:

- ◆ adherence to environmental regulations;
- ◆ availability of the necessary human and financial resources;
- ◆ a systematic approach to improving the main environmental impacts (waste, water, emissions into the atmosphere, energy use, etc.);
- ◆ competence of all employees through training, awareness-raising or information;
- ◆ operational management of the impact of operations in both normal and emergency situations;
- ◆ monitoring of performances via audits (internal or external) and other environmental surveillance and measuring procedures (mostly conducted by the Aéroports de Paris lab, ISO 9001-certified and accredited by the French accreditation committee COFRAC).

Throughout the year, employees are made aware of issues relating to the preservation and protection of the environment as well as energy control. Information is shared via internal environmental communication tools, particularly the electronic document management system, the Ecochart and articles in the Aéroports de Paris newspaper. New Energy training was launched in 2016: 200 employees will be trained between now and 2020. In addition, a section on environmental awareness and CSR has been included in the induction days for new employees.

## Preventative measures to reduce and remedy air emissions

Aéroports de Paris is committed to preventing collective pollution risks in four areas: air, water, noise and soil.

### Measures to reduce and recycle waste

Monitoring of Aéroports de Paris air quality is implemented through an ambitious policy to reduce CO<sub>2</sub><sup>1</sup> emissions and atmospheric pollutants linked to its activities and facilities, and its energy production units in particular.

Accredited by COFRAC, the French accreditation committee, its laboratory operates five air quality measuring stations at the Paris-Orly and Paris-Charles de Gaulle airports. It records emissions from planes, thermal stations and road transport resulting from airport activities and conducts air quality studies inside the terminals, car parks and technical buildings. It continuously measures levels of nitrogen dioxide (NO<sub>2</sub>) and nitric oxide (NO), particles (PM 2.5) and ozone (O<sub>3</sub>) levels.

Aéroports de Paris is also involved in public policies and helps to review the atmosphere protection plan (APP) for the Paris agglomeration, which sets out measures to improve air quality in the region. During the last review of the AAP, approved by the inter-prefectural order of 25 March 2013, Aéroports de Paris and air transport operators made a commitment to voluntary actions based on:

- ◆ the reduction in emissions while aircraft are taxiing;
- ◆ the use of stationary or mobile alternatives to auxiliary power units (APU);
- ◆ fleet management (vehicles and ground equipment), Corporate Travel Plans (PDE) and Inter-company Travel Plans (PDIE);
- ◆ public transport information for travellers.

In accordance with regulations (decree no. 2016-565 of 10 May 2016), at the end of December 2016, Aéroports de Paris sent Ademe a programme of actions aimed at reducing greenhouse gas emissions and atmospheric pollutants resulting from direct activities and soil pollutants from the three main airports. This programme must reduce by at least 10% and at least 20% the intensities of the greenhouse gas emissions and atmospheric pollutants by 2020 and 2025 compared to 2010.

## Preventative measures to reduce and remedy water discharge

At the Paris-Orly and Paris-Charles de Gaulle airports, in addition to pollution catch basins and retention basins, Aéroports de Paris has water treatment stations to meet the regulatory requirements for discharge into the natural environment imposed by an inter-prefectural order specific to each airport. Paris-Orly airport also has a 2,000 sq.m. wetland filtration facility, which optimises the treatment of rainwater. To improve the regulation of rainwater discharge, Paris-Charles de Gaulle airport has undertaken a project to connect its retention basins and connect them to the Marne river via large pipes.

Aéroports de Paris is committed to limiting newly sealed surfaces favouring infiltration wherever possible and, failing this, to offset sealed surfaces with retention ponds. As part of a water masterplan, zoning defining rainwater management rules by zone was created to promote infiltration and limit the maximum the flow of leaks from retention ponds to:

- ◆ 1 litre/second/hectare for Paris-Charles de Gaulle airport (rainwater storage capacity equivalent to 550 m<sup>3</sup> per hectare);
- ◆ 10 litres/second/hectare for the catchment basin from the Morée river to Paris-Le Bourget airport.

After treatment, the wastewater produced at Aéroports de Paris airports is discharged into public sewers. A procedure for monitoring the wastewater produced as a result of the activities of Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget and the industries of the airport zone is in place. The Aéroports de Paris laboratory monitors the quality of the rainwater discharged into the natural environment as well as the water table level thanks to a network of measuring points (piezometers).

## Preventative measures to reduce and remedy discharge in the soil

Groupe ADP laboratory also carries out environmental monitoring of soil quality, using the National Methodology of the Ministry of the Environment. This makes it possible to check the compatibility of the environmental state of the sites with their uses and/or development projects, and ensures that any on-site pollution is handled. Reinforced methods to prevent and manage the risk of soil pollution have been deployed since 2014.

### Measures to reduce and recycle waste

Aéroports de Paris is committed to reducing and recycling waste produced at its airports to save natural resources and takes measures to:

- ◆ reduce its waste production and encourage its partners to adopt these practices;
- ◆ develop sorting at source and achieve a 45% material recycling rate for its internal non-hazardous waste by 2020;
- ◆ limit and reuse building waste with the aim of recycling 70% by 2020.

<sup>1</sup> See paragraphs "Optimisation of energy efficiency", "Increased use of renewable energies", "Fight against climate change".

The new waste collection contract provides for an increase in recycling rates by reinforcing the waste collection systems at the treatment centres of the collection service provider. At the airports, organic and non-hazardous waste are separated in dedicated collectors and all the administrative offices have recycling points for paper and printer cartridges. In terminals, sorting bins are installed upstream and downstream of the checkpoints;

Aéroports de Paris favours, as far as possible, a circular economy. Groupe ADP therefore takes regular action to collect and recycle used work clothes. In its corporate restaurants in the South Terminal at Paris-Orly and Parc Central, it has also tried selective collection of leftover food for recycling into biogas at a methanisation plant in Essonne. Tests were also undertaken to develop the collection of biowaste, the aim being to propose a biowaste collection service to all clients by 2020. Aéroports de Paris also recycles glycol, used during testing of snow removal machines, to manufacture coolant. A study is underway to recycle glycol collected from de-icing bays.

Aéroports de Paris also intends to deploy a major action in each airport along with public bodies, such as the EPA Plaine de France. A working group identified the building waste stream as a focal point for development and recycling streams are being deployed, in particular to recycle plaster.

## Fight against food waste

Groupe ADP makes airport concessions aware of biowaste management and runs awareness sessions along with intercompany restaurant service providers or the Works Council which manages six company restaurants at our sites.

## Facilities classified for environmental protection (ICPE)

The storage and distribution of aviation fuel for aircraft are provided by external companies that own the tanks and the hydrant fuelling system that they maintain and operate. This network is subject to checks by the owner. As the storage facilities are subject to legislation on facilities classified for environmental protection (ICPE or *Installations classées pour la Protection de l'Environnement*), they regularly undergo quality and compliance audits by the Regional and Interdepartmental Environment and Energy Department (DRIEE).

Aéroports de Paris operates ICPEs such as the power facilities used for combustion and refrigeration activities at Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports subject to authorisation in accordance with the specific provisions of the prefectural decree. The Aéroports de Paris laboratory carries out continuous monitoring of the atmospheric discharges from these facilities, as is required under their operating permits. An annual compliance report is sent to local authorities.

Aéroports de Paris also operates environmentally classified facilities (ICPEs) for which they must submit a statement of compliance with general provisions determined by ministerial order, such as accumulators and small combustion installations (emergency power units), flammable liquid filling systems, etc. Its prevention policy relies on internal expertise, audits evaluating regulatory compliance within the framework of the Environment Management Systems and regular regulatory checks by the public authorities (DRIEE or STIC, the Technical Department of Inspectors of Classified Facilities).

Aéroports de Paris does not operate any classified facility (SEVESO site) that may create considerable risks to the health or safety of neighbouring populations and the environment.

In 2014, Aéroports de Paris updated the map of ICPEs owned by third parties (service stations, SMCA fuel depot) in order to gain a better understanding of the associated environmental risks.

## Actions to limit noise pollution

In order to reduce the noise for local residents, a curfew has been in place at Paris-Orly airport from 11.30 pm to 6.00 am since 1968. Moreover, the maximum number of time slots that may be allotted to the airport has been set by regulation at 250,000 per year since 1994.

At Paris-Charles de Gaulle airport, a limitation of night traffic and a total weighted measured noise index (IGMP) were established by regulation in 2003. Aéroports de Paris continues to take part in the "Night flights" working group presided by the prefect Guyot. As a result of work in this area conducted jointly with the airlines, the continued descent procedure between 12.00 pm and 05.30 am was adopted in September 2016 and the modified aerodynamics of the Airbus A320 has halved the noise pollution produced by this plane, which is the most common on the runways at Paris-Charles de Gaulle.

Differentiated landing charges on the basis of an aircraft's noise category and the tax on air noise pollution (TNSA) also help to limit noise in that they encourage the use of less noisy aircraft and penalise night flights. The TNSA is levied by the French Civil Aviation Authority, and its proceeds go to Aéroports de Paris and are used for financing sound-proofing measures for the benefit of local residents.

Within the framework of this procedure, Aéroports de Paris manages the applications for help with soundproofing from residents living near Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports, whose homes are within the scope of a Noise Nuisance Plan (PGS). Aéroports de Paris receives new requests for help, investigates them, passes them on to the relevant local committees, which are consulted on the allocation of grants, and pays out the grants allocated to local residents for noise assessment and sound-proofing work. Local residents have been entitled to free assistance for works since 2013. They are supported through all stages of their project by a dedicated service which is part of the aid programme. In 2016, 184<sup>1</sup> files were processed.

Aéroports de Paris makes available to the public the Vitrail tool to view aircraft flight paths and access information online. Available in the Environment and Sustainable Development Resource Centres at Paris-Orly and Paris-Charles de Gaulle, Vitrail is also proposed to municipalities wishing to consult it. Linked to Vitrail, a new IT tool, Itrap, was developed to improve the quality of claim processing. In less than three hours this tool collects and processes complaints from local residents relating to noise from planes and is quicker to send them information on a possible breach (altitude, speed, flight path), along with an explanation. If they wish to, the local resident can meet with a representative of DGAC to learn about the techniques developed to reduce aircraft noise.

## Financial resources allocated to the prevention of environmental risks and pollution

### Environmental expenditure

Aéroports de Paris has allocated a dedicated budget of €44 million, planned by the Economic Regulation Agreement, to cover the term of the strategic plan 2016-2020.

In 2016, no compensation was paid out as a result of any court decision of an environmental nature. No significant restorative action was necessary as a result of damage caused to the environment.

<sup>1</sup> Source: Unit for financial aid for soundproofing of houses and tertiary buildings in the Noise Nuisance Plan for Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget.

## Environmental liability insurance

Aéroports de Paris has liability insurance for environmental risks. It covers all declared activities of Aéroports de Paris SA.

As of 31 December 2016, the payments and provisions recorded on this policy since 2012 amounted to €106,000.

## Sustainable use of resources

### Water consumption and supply based on local restrictions

Aéroports de Paris distributes drinking water at its airports and has a water tower and booster pump while Paris-Orly and Paris-Le Bourget are supplied by drinking water distribution points. Aéroports de Paris' airports have no water constraints.

With the aim of reducing drinking water consumption per passenger by 5% by 2020 compared to 2014, Aéroports de Paris recycles rainwater for different uses, for example to supply its cooling towers at Paris-Orly or toilet blocks. It also installs water saving equipment in the toilet areas of its terminals:

- ◆ recycling of rainwater at the West Terminal at Paris-Orly to supply the toilet blocks;
- ◆ installation of economical water flushes for all toilet block renovation projects;
- ◆ integration of a dual water network (collection of rainwater and classic supply) in the Paris-Orly terminals;
- ◆ continuous staff training on the use of water resources, products and equipment.

### Consumption of raw materials and improvement measures

Aéroports de Paris is mainly a service company, and the challenge of controlling the consumption of raw materials and reduction of raw materials is lower compared to other environmental impacts.

Reuse is studied during the completion of building deconstruction projects.

### Optimisation of energy efficiency

As part of its strategic plan 2016-2020, Aéroports de Paris fixed two objectives of energy efficiency:

- ◆ reduce its primary internal energy consumption by 7% per square metre of building between 2016 and 2020, i.e. an average improvement in its energy performance of 1.5% per year;
- ◆ produce the equivalent of 15% of its final consumption from renewable energies by 2020, while continuing to develop its activities.

To achieve this goal, Aéroports de Paris has, notably a policy based on energy management focused on the optimisation of operating activities and maintenance, and on improving its buildings and equipment, as part of an energy management system (EMS) which was awarded ISO 50001 certification in 2015.

Significant energy saving programmes in the buildings help to improve energy efficiency, in particular:

- ◆ in the terminals, car parks and aviation areas with the replacement of classic lighting systems with the more economical LED systems and the automation of lighting to provide the necessary lighting based on demand;
- ◆ with remote meter readings by electric meters, to allow better monitoring of consumption and to detect excesses;
- ◆ with the deployment of commissions on property projects worth more than €60 million (checking at each stage of the project that the development can achieve the energy target fixed).

Aéroports de Paris integrates the strictest rules limiting primary energy consumption into all its property construction and renovation projects: RT 2012 thermal regulation, the French HQE<sup>1</sup> and British BREEAM<sup>1</sup> high quality environmental standards.

After receiving HQE<sup>1</sup> certification for Hall M at Paris-Charles de Gaulle in 2013, a first for a terminal, Aéroports de Paris fixed a target in its 2016-2020 plan to obtain environmental certification for all new property projects. Its registered office building, which is in the process of being finished, received the HQE "excellent" and BREEAM<sup>1</sup> "very good" certificates in the planning and design phases.

At Paris-Orly, HQE certification "Excellent" was awarded in 2016 to the East Pier in the South Terminal. According to forecasts, its consumption will be 16% lower than required by the RT 2012 thermal regulations and its CO<sub>2</sub> emissions will be reduced by approximately 60% compared to the average for terminals thanks to the technical and architectural solutions implemented.

### Increased use of renewable energies

The different renewable energy production systems in operation at the airports covered 12.8% of Aéroports de Paris' internal energy consumption at the end of the third quarter of 2016 (12.2% at the end of 2015). The target is to achieve 15% by 2020.

At Paris-Orly, the geothermal plant in service since 2011 should ultimately produce the heat required to heat the terminals and the Cœur d'Orly business district thus avoiding the emission of 9,000 tonnes of CO<sub>2</sub> per year.

In 2012, Paris-Charles de Gaulle installed a high-performance heat/refrigeration pump system for the heating and cooling of satellite 4, together with a biomass power plant that provides 25% of the airport's heating needs and in normal operating mode prevents the emission of 18,000 tonnes of CO<sub>2</sub> per year.

Since the end of 2015, Paris-Le Bourget has 600 sq.m of photovoltaic solar panels and a geothermal plant which produces heat to meet almost 70% of Aéroports de Paris' internal heating and cooling needs. In total, it covers the equivalent of 30% of Aéroports de Paris' internal energy consumption in the terminals and avoids the emission of approximately 120 tonnes of CO<sub>2</sub>.

In addition, to reduce its carbon footprint, Groupe ADP subscribed to the renewable electricity offer from Engie, which commits the latter to ensuring that 60% of its electricity is of renewable origin in 2016 (50% in 2015). The energy company provides certificates certified by a third party, proving that this 60% quota was produced by hydroelectric dams, wind farms or solar farms. At the Paris-Le Bourget airport, 100% of the electricity is of renewable origin.

<sup>1</sup> Building Research Establishment Environmental Assessment Method.

## Land use and measures taken

As a land developer, Aéroports de Paris takes care to respect the balance of the diversity of living things. The issue of land use is treated in accordance with regulations and the sustainable development commitments defined by the so-called "Grenelle 1" and "Grenelle 2" laws.

In line with our soil pollution management procedures, a soil diagnosis is performed each time a building changes tenants.

## Fight against climate change

Groupe ADP made a commitment to the climate and the fight against climate change in line with the environmental and energy policy it has been conducting for many years. For the period 2016-2020, it has set ambitious targets, in line with the new guidelines proposed for France in these fields:

- ◆ reduce CO<sub>2</sub> emissions per passenger<sup>1</sup> by 50% between 2009 and 2020 while increasing traffic. At the end of December 2016, in light of the changes to this indicator, Groupe ADP decided to increase this target to a reduction of 65%;
- ◆ improve its energy efficiency by 1.5% per year on average between 2016 and 2020 (7% over 5 years);
- ◆ produce the equivalent of 15% of its final internal energy consumption from renewable energies by 2020.

## Reduce greenhouse gas emissions<sup>2</sup>

As an operator of energy production units of more than 20 MW, Aéroports de Paris is subject to Directive No. 2003/87/EC of 13 October 2003 with regard to greenhouse gas emission (GHGs) quotas. Under the national allocation plan for greenhouse gas emission allowances, annual allowances are allocated to Aéroports de Paris and its CO<sub>2</sub> emissions are carefully monitored. Thanks to the investment made in low-carbon thermic production plants (biomass, geothermal, photovoltaic) and improvements in its energy efficiency, Aéroports de Paris does not exceed the quotas allocated to it and therefore does not purchase quotas on the markets.

In accordance with article L. 229-25 of the French Environmental Code, Aéroports de Paris reports on its greenhouse gas emissions. Data for CO<sub>2</sub> emissions from power plants in 2016 are presented in the table of environmental indicators and verified by a third party per the French national quota allocation plan (PNAQ).

The Paris-Charles de Gaulle and Paris-Orly airports have seen renewed their level 3 Airport Carbon Accreditation, the certification programme established by ACI Europe (Airports Council International Europe) in 2016. This accreditation, all aspects of which are verified by a third party every two years, acknowledges the calculation and actions to reduce our direct emissions (scopes 1 and 2) as well as indirect emissions (scope 3).

The fight against climate change consists not only of changing internal operations (scopes 1 and 2) but also those of Aéroports de Paris' partners at all airport terminals (scope 3). Joint actions are undertaken to reduce aircraft running time. At Paris-Charles de Gaulle and Paris-Orly, 400 Hz floor-mounted sockets were installed to supply electricity to planes at contact stands. These replace the diesel generators and auxiliary thermal engines. Aéroports de Paris has also put in place another initiative, namely, the N-1/N-2 engine practice which consists of turning off the engine during taxi-in. In partnership with the DGAC, Paris-Orly airport is

developing local departures management (GLD) with the support of an IT tool. A result of a collaborative process (Collaborative Decision Making), the local management of departures helps to reduce the running time of an aircraft between leaving the gate and taking off, which generates significant savings in terms of fuel and CO<sub>2</sub> emissions. Moreover, the continuous descent implemented for certain approaches reduces engine load and thus their kerosene consumption and CO<sub>2</sub> emissions. In 2015, CO<sub>2</sub> emissions per passenger were down 61.5% compared to 2009.

As part of ACI-Europe, Groupe ADP, along with 50 other airports, is committed to achieving carbon neutrality by 2030.

Reduced by 33% compared to the average for 2012-2014, internal CO<sub>2</sub> emissions (scopes 1 and 2) for Groupe ADP were 79,973 tonnes in 2015<sup>3</sup>. Those of its stakeholders (scope 3 emissions from planes, aeronautical ground handling activities and access to the terminals for passengers or employees) rose to 1,927,121 tonnes in 2015, an increase of 1% compared to the average for 2012-2014 due to increased traffic. Given the changes in air traffic, CO<sub>2</sub> emissions for scope 3 should be stable for 2016. The 2015 report on CO<sub>2</sub> and greenhouse gas emissions (GHG) is available on the website [www.groupeadp.fr/](http://www.groupeadp.fr/), under the tab Groupe/CSR.Espace Experts then CSR/Environment.

## The Corporate Travel Plan (PDE), sustainable mobility

To help employees to better manage their mobility and reduce the environmental impact of their-home-work and professional travel, in particular greenhouse gas emissions, Aéroports de Paris deployed a corporate travel plan (PDE) in 2005. Groupe ADP also actively works with its airport partners in the intercompany travel plans (PDIE) for its three main airports.

The PDE 2016-2018 action plan includes around ten actions to optimise the organisation of work, develop electromobility (electrical vehicles: cars, buses, bikes and motorbikes) and active modes and make employees more aware of sustainable mobility.

## Computers to the rescue

To reduce mobility needs during the workday, a network of 53 videoconference rooms and self-service office spaces has been set up. Since 2010, Aéroports de Paris has installed more than 6,000 computer workstations equipped with the Skype Enterprise system, in order to communicate by audio- or videoconference and share documents online with one or more participants. Its intranet site has a "Transport and travel" tab that lists public transport services at all airports.

## Reducing the carbon footprint of the vehicle fleet

Aéroports de Paris has 173 clean service vehicles (electrical and hybrid) and 255 charging points at its airports. Groupe ADP's aim is for clean vehicles to account for 25% of its light vehicle fleet by 2020.

Aéroports de Paris and the Hub One subsidiary offers its employees ecodriving training with a dual objective: prevention of road risks and reduction in fuel consumption.

## Facilitating access to platforms

Aéroports de Paris is working with various entities in charge of public transport at the airports to identify actions to improve service.

The major airport access measures are described in Chapter 6 of this Registration Document.

<sup>1</sup> Scope 1 and 2.

<sup>2</sup> A complete summary of our CO<sub>2</sub> and greenhouse gas emissions is available from the website [www.groupeadp.fr/](http://www.groupeadp.fr/), under the path "Group", "CSR", "Environment"

<sup>3</sup> 2016 Data not available yet for the publication of the document.

## Adaptation to climate change

A specific "natural environment" risk was included in the risk map in 2014. Groupe ADP also evaluated the risks linked to greenhouse gases and took measures to reduce these by integrating a low carbon strategy in all areas of its activity.

The adaptation measures identified are based on the following actions: activity continuity plan, management of extreme climate conditions, water management. By regularly assessing climate risks, Aéroports de Paris can update its adaptation strategy and, in the spirit of continuous improvement, it is exploring new practices enabling it to respond appropriately to the risk of future changes in the natural environment, as part of the current risk management framework.

## Protection of biodiversity

Aéroports de Paris occupies more than 6,000 hectares of land in Île-de-France and is directly involved in the protection of biodiversity, which is one of the five priorities of its 2016-2020 environmental and energy policy.

Integrated into the company's strategy, the protection of biodiversity is based on the following three areas:

- ◇ define and deploy an ecological land development plan;
- ◇ conduct a biodiversity study for structural projects and for all airports;
- ◇ continue to reduce, by 50%, the consumption of phytosanitary products between 2008 and 2020.

These actions are, for the majority, conducted by partners, for example Hop! Biodiversité, an association which helps take a census of the biodiversity of species living at the Paris-Orly and Paris-Charles de Gaulle airports, with scientific support from the National Natural History Museum.

In 2016, Groupe ADP conducted a study "Development, landscape and biodiversity" on the Paris-Charles de Gaulle airport.

## Environmental indicators for Groupe ADP

The figures presented in this table relate to the company Aéroports de Paris' own consumption as well as consumption relating to third parties based at its airports.

	Scope	2016	2015
<b>Consumption of drinking water (in m<sup>3</sup>)</b>		<b>2,950,168</b>	<b>2,977,392</b>
Paris-Charles de Gaulle	1	2,267,723	2,377,556
Paris-Orly	1	608,438	532,848
Paris-Le Bourget	1	74,007	66,988
<b>Internal consumption of drinking water (in m<sup>3</sup>)</b>		<b>1,361,975</b>	<b>1,438,069</b>
Paris-Charles de Gaulle	2	1,031,268	1,087,945
Paris-Orly	2	315,940	335,182
Paris-Le Bourget	2	14,767	14,942
<b>Gas consumption (in mWh PCS)</b>		<b>257,004</b>	<b>258,644</b>
Paris-Charles de Gaulle	1	212,465	199,207
Paris-Orly	1	30,724	43,627
Paris-Le Bourget	1	13,816	15,810
<b>Total electricity purchase (internal + external) (in mWh)</b>		<b>474,177</b>	<b>475,597</b>
Paris-Charles de Gaulle	1	332,938	338,847
Paris-Orly	1	116,093	113,711
Paris-Le Bourget	1	25,146	23,038
<b>Internal electricity consumption</b>		<b>(✓) 359,239</b>	<b>360,917</b>
Paris-Charles de Gaulle	2	279,250	280,177
Paris-Orly	2	78,048	78,354
Paris-Le Bourget	2	1,940	2,386
<b>Heat generation (in mWh)</b>		<b>319,692</b>	<b>321,879</b>
Paris-Charles de Gaulle	1	226,925	223,989
Paris-Orly	1	81,583	88,600
Paris-Le Bourget	1	11,184	9,290

Scope 1: internal (Aéroports de Paris) and external Aéroports de Paris (third parties present at our airports).

Scope 2: Internal scope (Aéroports de Paris only).

(✓): Data verified by a third-party control.

	Scope	2016	2015
<b>Refrigeration output (in mWh)</b>		<b>140,961</b>	<b>143,854</b>
Paris-Charles de Gaulle	1	118,713	120,484
Paris-Orly	1	21,277	22,662
Paris-Le Bourget	1	971	708
<b>CO<sub>2</sub> emissions, French national quota allocation plan<sup>1 2</sup> (in tonnes)</b>		<b>50,314</b>	<b>48,203</b>
Paris-Charles de Gaulle	1	41,769	38,699
Paris-Orly	1	5,960	6,492
Paris-Le Bourget	1	2,585	3,012
<b>NOx emissions from power plants<sup>2 3</sup> (in tonnes)</b>		<b>71.1</b>	<b>70.1<sup>4</sup></b>
Paris-Charles de Gaulle	1	69.5	63.9
Paris-Orly	1	nd <sup>6</sup>	4.3
Paris-Le Bourget	1	1.6	1.9
<b>CO<sub>2</sub> emissions</b>		<b>1,645</b>	<b>2,721<sup>4</sup></b>
Paris-Charles de Gaulle	2	1,482	1,629
Paris-Orly	2	nd <sup>6</sup>	884
Paris-Le Bourget	2	163	208
<b>Share of renewable energy in the final internal energy consumption (in %)</b>		<b>12.8</b>	<b>12.20</b>
Paris-Charles de Gaulle	2	10.2	Na
Paris-Orly	2	25.5	Na
Paris-Le Bourget	2	7.1	Na
<b>Increase in energy efficiency compared to 2015 in primary energy consumed/sq.m. (%)</b>		<b>1.9</b>	
Paris-Charles de Gaulle	2	1.9	na
Paris-Orly	2	1.4	na
Paris-Le Bourget	2	3.9	na
<b>Volume of non-hazardous waste collected (in tonnes)</b>		<b>40,483</b>	<b>40,763</b>
Paris-Charles de Gaulle <sup>5</sup>	2	32,806	32,223
Paris-Orly	2	6,383	6,945
Paris-Le Bourget	2	1,294	1,595
<b>Volume of internal non-hazardous waste collected (in tonnes)</b>		<b>(✓) 15,796</b>	<b>16,168</b>
Paris-Charles de Gaulle	1	9,963	9,453
Paris-Orly	1	5,541	6,188
Paris-Le Bourget	1	291	527
<b>Distribution of non-hazardous waste by treatment type (in %)</b>			
Recycled	2	(✓) 29.5	27.5%
Incinerated	2	(✓) 70.1	64.7%
Buried	2	(✓) 0.5	5.7%

Scope 1: internal (Aéroports de Paris) and external Aéroports de Paris (third parties present at our airports).

Scope 2: Internal scope (Aéroports de Paris only).

<sup>1</sup> Data verified by a third-party controller.

<sup>2</sup> Data over a calendar year

<sup>3</sup> Calculated on the basis of the consumption of fuels and emissions factors used as part of the GERE declaration.

<sup>4</sup> Published in 2015 CSR information

<sup>5</sup> For 2016, 2,935 tonnes from the collection related to airside or tertiary activities. The distribution of this tonnage between internal and external non-hazardous wastes is being analysed. A first examination concerning the location of the containers, mostly installed near the runways, made it possible to define a provisional assignment in external wastes. The analysis will be continued in 2017 and definitively defines the internal or external nature of these wastes.

<sup>6</sup> Data in not available as at 31 January, as a consequence, it will be published on the website [www.groupeadp.fr](http://www.groupeadp.fr) under CSR rubric, before end of April 2017.

na: non applicable.

nd: not defined.

(✓): 2016 data checked by Deloitte with reasonable assurance.

	Scope	2016	2015
<b>Volume of internal hazardous industrial waste collected (in tonnes)</b>			
Paris-Charles de Gaulle	2	2,355	2,878
Paris-Orly	2	125	114
Paris-Le Bourget	2	76	nd
<b>Help to local residents for soundproofing</b>			
<b>Number of applications processed</b>			
Paris-Charles de Gaulle		645	1,100
Paris-Orly		981	582
Paris-Le Bourget		215	102
<b>Amounts committed (in millions of euros)</b>			
Paris-Charles de Gaulle		16.66	16.03
Paris-Orly		16.59	14.03
Paris-Le Bourget		3.92	3.39

Nd: not defined.

## 17.5 SOCIETAL RESPONSIBILITY INFORMATION

### Territorial, economic and social impact of company activity

Aéroports de Paris' support and cooperation strategy is centred around four key concepts:

- ◇ the attractiveness and promotion of territories;
- ◇ partnerships to give local residents access to airport jobs;
- ◇ quality of life of airport employees;
- ◇ sponsorship and support for charitable projects.

### Economic and social development around the platforms

Within the framework of its policy of sustainable development, Aéroports de Paris promotes economic and social co-operation with local authorities so that the local area benefits from its growth. It also maintains an on-going dialogue with local residents through numerous partnerships and the provision of tools, mainly online services. The forms of dialogue are described in the Aéroports de Paris Corporate Social Responsibility Report<sup>1</sup>.

### Commitment to local employment

Over 119,000 people work at the airports, including 89,600<sup>2</sup> at Paris-Charles de Gaulle. It is estimated that the airports are responsible for more than 340,000 jobs (which are directly<sup>3</sup> or indirectly<sup>4</sup> related), induced<sup>5</sup> or catalytic<sup>6</sup>, that is more than 8% of salaried jobs in the Paris region (2012 BIPE study figures). These jobs require great flexibility and specific aeronautical knowledge. These jobs remain inadequately filled by local residents, among whom the unemployment rate remains high.

For the past fifteen years Aéroports de Paris, in conjunction with its economic partners, has been investing in programmes to encourage inclusion, employability and job retention.

In 2013, its PlanèteAIRport branded job portal won a "trophée défis RSE" award. In July 2015, the United Nations (UN) Economic and Social Council (ECOSOC) awarded PlanèteAIRport the special consultative status of a non-governmental organisation (NGO): PlanèteAIRport therefore joined the 32,000 or so NGOs registered by the UN. Its consultative status at the ECOSOC means that it is consulted on questions relating to UN policies and programmes and participates in international conferences as well as meetings of preparatory bodies for these conferences.

PlanèteAIRport also received the national corporate citizen diploma in 2016: it recognises companies who "place more importance on consciously linking citizen values with their mission over thinking about wealth" and their exemplary actions in favour of the general interest.

<sup>1</sup> Available on the website [www.groupeadp.fr](http://www.groupeadp.fr).

<sup>2</sup> 2014 data, all contracts combined (permanent, fixed-term, interim, work-study and other contracts).

<sup>3</sup> Direct employment: number of jobs at companies present at the airport.

<sup>4</sup> Indirect employment: number of jobs needed for services provided on behalf of airport companies by suppliers with no airport presence.

<sup>5</sup> Induced employment: number of related jobs necessary for the production of goods and services for airport employees and employees of suppliers.

<sup>6</sup> Catalytic employment: number of jobs needed to produce goods and services for tourists in Île-de-France.

Through its insertion programme First Stade, in 2016 PlanèteAIRport launched a platform to hire vehicles at a moderate cost (€15 per day) for company employees working at the airports as well a mountain bike reservation website whose drivers are employees belonging to the First Stade programme.

Every year “Discover airport jobs” seminars are organised primarily for young job seekers. Participants meet airport businesses and take a preliminary professional project approval workshop.

Aéroports de Paris also helps young companies and supports their location on airport grounds. At Paris-Charles de Gaulle, it is supported by two partner structures: a talent pool and a local resource centre. It supports small and medium-sized enterprises (SMEs) via agreements with organisations that provide advice or assistance to businesses. Since 2009, it has also hosted a branch of Coopactive, a business and employment cooperative for self-employed entrepreneurs<sup>1</sup>.

## Dialogue and local partnerships

Aéroports de Paris exercises its social responsibility by engaging in partnerships with the socio-economic actors in major airport areas, with political, consular or association representatives, and with French government services.

To best meet the needs of its many stakeholders, it created two regional delegations within its Environment and Sustainable Development Department: one for Paris-Orly, and the other for Paris-Charles de Gaulle and Paris-Le Bourget. These delegations meet with elected representatives, associations, school groups, etc..

A website is dedicated to this dialogue: [www.entrevousins.org](http://www.entrevousins.org).

The company is also active through partnership structures devoted to employment and development of the economy. Communication tools have been established with stakeholders.

Aéroports de Paris is responsible for the secretariat of the Consultative Environment Commissions (CCE), a favoured tool for consulting with populations local to the airports. The CCE must be consulted on any important matter relating to airport operational incidents in areas affected by noise pollution.

## Responsible purchasing and subcontracting

Aéroports de Paris's purchases exceed €1 billion per year and are broken down into four large categories: supplies, equipment, services and intellectual services.

Aéroports de Paris has held the Responsible Supplier Relations label since 2014, along with 35 other companies. The label is awarded by Médiation Interentreprises, an entity under the auspices of the Ministry of Finance, and the CDAF (the French purchasing managers' organisation) and recognises the integration of the sustainable development strategy into the purchasing function and its relationships with suppliers. Awarded for a period of three years, it is subject to an annual audit that verifies the effective deployment of improvement plans on compulsory inseparable criteria.

Moreover, in June 2016, the National Purchasing Council recognised the Aéroports de Paris purchasing department for all of its actions (organisation, process and CSR) and awarded it the prize “Best Purchasing Department of the Year”.

## Ethics and securing of purchasing and procurement processes

Since 2010, the Purchasing department has secured the purchasing procedure for all contracts for an amount exceeding €25,000: a five-stage purchasing process was put in place with three gates (approvals) and four approvers from one of the following entities: requesting unit, management controller, Legal department, Purchasing department. This process ensures ethics and transparency throughout the contract bidding cycle.

The Purchasing department has initiated a programme to place all of the company's procurement under its responsibility in order to further secure the purchasing procedure, including purchases of less than €25,000. Deployed since 15 January 2015, this programme includes change management support and a training course for logistics specialists.

Alongside this, the processes and procedures were dematerialised. The purchasing procedure was entirely “zero paper” in 2014. It is fully monitored via a collaborative file management platform and signatures are applied using an electronic tool. The traceability afforded by dematerialisation enhances the reliability of interactions and ensures a better information exchange between the various contributors to the purchasing procedure.

A code of purchasing ethics annexed to the Aéroports de Paris rules of procedure establishes ethics with regard to suppliers and service providers. Specifically, this code is provided to employees who agree in writing to comply therewith.

In 2014, the Purchasing department created a supplier CSR charter, integrated into all new contracts, to support them in their ethical and code of conduct policies or encourage them to commit to them. The charter makes it possible to cascade information to all suppliers and share with them the major directional policies, values and commitments of the company.

## Monitoring of the CSR and environmental performance of suppliers

The rating of bids includes environmental (energy in particular) and/or social (protected sector, public service returning to work) CSR criteria depending on the purchasing segment concerned and its level of risk exposure. These criteria are used in the judging process during the tender offers and ensure that the service providers and the suppliers progress in areas that are important for the company and support them in the long-term as they improve their performance. They account for 5 to 10% of the final rating awarded. In 2016, more than 78% (70% in 2015) of contracts entered into by Aéroports de Paris include, in addition to technical and financial criteria, a CSR criterion.

Candidates' level of CSR maturity is evaluated based on a multicriteria analysis grid covering the CSR challenges adapted to the type of purchase, with the support of internal CSR experts, from the Purchasing, Human Resources, Environment and Sustainable Development departments. Candidates must be able to back up their responses with supporting documentation; a CSR expert analyses their response levels and the consistency of the responses with the supporting documents supplied.

For the purchase of services with a strong social aspect in terms of CSR, which account for more than 30% of purchasing revenue, the Purchasing department calls upon a CSR expert from the Human Resources department. The latter has created a proven methodology to evaluate the maturity of bidders based on workforce related criteria (employment law, health and safety, training, non-discrimination, etc.). Candidates are asked to submit a CSR statement giving reasons for their practices in different areas (along with supporting documentation). The HR expert analyses the documents and takes part in negotiations which include a discussion period dedicated to this matter.

<sup>1</sup> See the paragraph entitled “Increasing purchases from SMEs”.

Since 2014, Aéroports de Paris has decided to expand even further on this approach and verify during the execution phase, by means of CSR audits, the suppliers' respect of their commitments based on different criteria. The company uses an independent external provider to carry out this audit. These audits also enable suppliers to make improvements by implementing improvement plans which include areas for improvement and auditor recommendations. In 2016, three audits were conducted: two on the works segment and the third on the services segment. Seven are planned for 2017 for the services, works and equipment maintenance segments.

The Purchasing department prepares a detailed report of work accidents involving service providers to monitor, in the execution phase, suppliers' CSR performance. These components make up the CSR performance indicators for Aéroports de Paris' partners/suppliers.

A partnership has also been established with a specialist service provider to ensure that, throughout the contract, suppliers comply with regulatory provisions on the underground economy and regulations on facilities classified for environmental protection (ICPE or Installations classées pour la Protection de l'Environnement).

## A purchasing team trained in responsible purchasing

Training and awareness-raising programmes on responsible purchasing have been delivered to buyers since 2007, mainly consisting of two annual seminars held by the Purchasing department. The goal of these modules is to recap the main CSR issues for Aéroports de Paris, explain the contribution made by the Purchasing department to the group's CSR performance and, using specific examples, clarify for buyers the means by which the responsible purchasing process is applied on a daily basis.

Moreover, the compensation of the Purchasing Director and buyers comprises a variable portion partly based on the achievement of CSR objectives.

## Deployment of socially inclusive purchasing practices

In accordance with its commitments, Aéroports de Paris has increased its purchases from the sheltered and protected employment sector: they achieved more than €837,000 in 2016, with a target of €800,000. The identification of new purchasing segments has expanded the opportunities for services to be awarded to these companies, including finishing and updating of plans. The partnership with GESAT<sup>1</sup> continues.

Moreover, certain contracts to develop the Paris-Orly airport, Aéroports de Paris includes social inclusion clauses which commit suppliers to reserve working hours for people with social and professional difficulties. For the East Pier, this concerned around 10 construction contracts between 2014 and 2016, accounting for 35,122 hours, i.e. 140% of the initial contract target (25,000 hours requested). Social inclusion clauses have also been included in the contracts for works on the link between the South and West terminals.

## Development of purchases from SMEs: a contribution to the company's local involvement

As a signatory of the SME charter favouring partnerships between major companies and innovative SMEs, Aéroports de Paris intends to further develop its purchases from SMEs located in the areas surrounding the airports.

Its regular attendance at meetings with regional SMEs and SMEs in the Paris region reinforces its links with the local economic fabric: business meetings in Grand Roissy in October 2016, meetings with the Paris Region Economic Development Agency in December 2016.

A barometer is sent to suppliers every year to elicit their evaluation of compliance with contractual commitments and payment deadlines and the quality of the partner relationship. With a rating of 80/100 (75/100 in 2015), the Purchasing department obtained a higher score than that of the large groups belonging to the SME Pact.

## Measures to promote the health and safety of consumers

### The airport sector

Each airport has an airport safety certificate covering the infrastructures, operating procedures and security management system (SGS).

The DGAC controls and monitors all activities in this area and awards the airport security certificate.

In this respect, each airport director is designated as the accountable manager responsible for taking all measures necessary in airport security to ensure, for all of the airport land and surroundings, the safe movement of air traffic for which the aerodrome operator is responsible. This applies to all allocations, uses and managing entities of the area in question. Each area manager must keep the Airport Director informed of the implementation of the measures thus stipulated.

### Protecting people and facilities

Regarding the protection of persons and facilities, the prevention policies adopted in response to the measures and regulations established by the French government are proposed by the Airport Security, Risk Management and Compliance Division to the airport divisions. This concerns in particular measures relating to fire prevention in Establishments Open to the Public, and health protection (pandemic plan - updated in 2015). In 2016, at the request of the Chairman and CEO, measures were implemented to reinforce security landside following the terrorist attacks that took place in November 2015.

Under the OIV statute framework, the Individual Protection Plans (PPP) established by the application of the Operator Security Plan (PSO) are implemented by the various bodies concerned in the company. The new national security directive (DNS), published in October 2015, required Aéroports de Paris to update its PSO in 2016, in liaison with the entities concerned.

With regard to the Vigipirate Plan, the Airport Security, Risk Management and Compliance Division receives instructions from the French government, analyses them and communicates them to the airport divisions and the various relevant departments, along with advice on their implementation.

For their part, the airport divisions and the Real Estate Division are tasked with ensuring the safety of the property and buildings falling under their responsibility and of the people they shelter. In doing so they also ensure the respect of obligations lying with the landowner (brought up to sustainable development standards in particular).

Contributing to both the protection of aircraft and persons, the winter viability centres established in Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget focus all activities and resources dedicated to snow and de-icing, defining the rules, procedures and modus operandi in these areas. They cover activities airside (roads, taxiways, runways, de-icing pads, etc.) and the road network landside (roads and car parks).

<sup>1</sup> Grouping together of establishments and services promoting assistance through work.

## Groupe ADP Corporate Foundation

After 10 years of existence under the aegis of the Fondation de France and more than 690 projects supported, in 2015 Groupe ADP wished to give a new dimension to its foundation by transforming it into an autonomous corporate Foundation. In line with its corporate social responsibility policy, the Corporate Foundation's new status allows for greater transparency of the group's sponsorships and highlights its areas of action.

A Board of Directors, chaired by Augustin de Romanet, Chairman and CEO of Aéroport de Paris - Groupe ADP, determines the policy guidelines of the corporate Foundation and ensures that it is properly managed. Two selection committees meet twice a year to analyse the supporting application files in the intervention areas covered by the statutes of the corporate foundation.

The corporate Foundation supports general interest projects in the regions where the group has operations in France and abroad and prioritises the fight against illiteracy and education. Each project supported by the Foundation has a sponsor who is a company employee and acts as the "human" interface between the association leading the project and the Foundation. One hundred and fifty employees are involved in the Foundation's programmes.

Furthermore, in 2015, the Foundation created its "Foundation's favourite" prize to encourage employees in their societal, humanitarian and

community commitments. Every year it awards a bonus to the association in which an employee is involved and has promoted. In 2016, the Chairman and members of the Foundation's Board of Directors decided to award "Foundation's favourite" prizes to three associations:

- ◆ solidarités nouvelles pour le logement en Essonne (new solidarities for housing in Essonne) which help people in precarious situations to find a house;
- ◆ handi-Chiens, whereby persons with reduced mobility can obtain a service dog free of charge;
- ◆ apaerk which accompanies the parents applying for the adoption of a child from the Maghreb.

In parallel, the Prize for Employees invites employees to vote every year for their favourite project among the ones that the foundations supports. Every year, Groupe ADP corporate Foundation will pay an additional subsidy to the winning association (by way of indication this was €2,000 in 2015). In 2016, the Auteuil Foundation and its "An educational and school internship joined to a college" was rewarded by employees.

Finally, the Foundation paid special attention to all projects engaged in in-house by employees with a social or humanitarian aspect such as involvement in a "rallye Aïcha des Gazelles" team.

In 2016, the Foundation paid €810,187 to 56 projects.

## 17.6 METHODOLOGICAL NOTE ON SOCIAL, SOCIETAL AND ENVIRONMENTAL REPORTING

17

Groupe ADP's social, societal and environmental reporting is based on:

- ◆ the reporting system set forth in articles L. 225-102-1 and R. 225-104 to R. 225-105 of the French Commercial Code;
- ◆ and the transparency principles of the Global Reporting Initiative (GRI 4), the international reference in terms of sustainable development reporting in line with the ISO 26000 standard on the social responsibility of organisations.

The 2016 social reporting period is based on a calendar year (1 January to 31 December 2016) to ensure consistency with French regulations and the social reporting of French companies.

The environmental reporting period is based on a year running from 1 October 2015 to 30 September 2016, except for CO<sub>2</sub> and NO<sub>x</sub> emissions from plants, which continue to be reported by calendar year.

The scope of the reporting is intended to be representative of the significant activities of the group.

### Social reporting

Since 2006, Aéroports de Paris corporate reporting is prepared according to the requirements of the French Commercial Code and is based on the number of employees registered and paid during the calendar year, expressed as a full-time equivalent. The scope of the workforce covers Aéroports de Paris and the group's (controlled) companies and fully consolidated subsidiaries which are more than 50%-owned: ADP Ingénierie, Aéroports de Paris Management, Hub Safe and Hub One.

Some indicators and data relate only to the Aéroports de Paris scope. The scope for each indicator is specified in the corporate indicators table in the management report. It will be extended to the group for all social indicators in the coming years.

### Environmental reporting

The environmental and social responsibility reporting is limited to the scope of activities of Aéroports de Paris.

These consolidation rules apply to all indicators of environmental and societal reporting.

The scope of scope 3 CO<sub>2</sub> emissions covers CO<sub>2</sub> emissions linked to planes, access for passengers and employees, ground handling vehicles (GSE), auxiliary power units (APU) for planes, waste treatment and consumption in third party buildings.

Quantitative environmental data for 50%-owned subsidiaries are not included in the management report given the impact and representativeness of the data compared with Aéroports de Paris. Aéroports de Paris SA brings together the three airports of Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget. The qualitative environmental and social responsibility activities of Aéroports de Paris subsidiaries are included in the relevant sections of the 2016 management report.

### Change in consolidation scope

Changes in scope of consolidation are taken into account at the time of their actual introduction. However, it is tolerable for acquisitions, disposals, creations of companies or contracts won to be taken into account only after one full year of operation depending on the activity performed:

- ◆ corporate scope: the scope is updated in year N;
- ◆ environmental scope: the scope is updated in year N+1.

When the data are considered relevant, previous years may be consolidated according to the new scope for ease of comparison (*pro forma*).

No change in scope occurred between the 2015 reporting and 2016 reporting.

## Reporting methodology

Data collection, calculation and consolidation methods are defined by procedures collected in the social and environmental reporting protocols. These protocols are distributed to the people involved at all levels of reporting development.

## Relevance and choice of indicators

The indicators published by Aéroports de Paris are intended to report, with complete transparency, the group's annual results with respect to corporate social responsibility. The indicators are chosen based on the social, societal and environmental impact of group company activity and the risks associated with the company's strategic challenges.

The data selected are based on a common set of criteria:

- ◆ aéroports de Paris' commitments and corporate social responsibility policy;
- ◆ regulatory obligations set by the French government;
- ◆ the group's performance and impact in relation to key challenges.

The **social indicators** published by Aéroports de Paris are based on three levels of indicators:

- ◆ the themes of article R. 225-105-1 of the French Commercial Code;
- ◆ the social reporting indicators set forth in French law;
- ◆ the specific indicators of the group's human resources policy.

The complementary nature of these three levels of indicators makes it possible to measure the results of the human resources policy and the group's commitments in social matters.

The **environmental indicators** are consistent with the themes of article R. 225-105-1 of the French Commercial Code and are divided into six general areas:

- ◆ preservation of resources and consumption of energy, water and raw materials;
- ◆ pollution and waste management;
- ◆ climate change and adaptation;
- ◆ certifications and approved projects;
- ◆ environmental training and awareness;
- ◆ expenditures to prevent the consequences of business activity on the environment.

The choice of environmental indicators was made using a relevant approach that facilitates understanding of the group's real challenges and comparison with companies in the same industry. This choice also takes into account the availability of data at the time of writing of the management report. These challenges are described in detail in the Social Responsibility Report.

## Methodological limitations and specificities

The methodologies used for certain corporate and environmental indicators may have limitations due to:

- ◆ differences in available professional skills between Aéroports de Paris and its subsidiaries;
- ◆ specific provisions of social laws in certain countries;
- ◆ changes in scope of activity from one year to another;
- ◆ the difficulty of retrieving information in the event of subcontracting to, and/or joint ventures with, foreign partners;
- ◆ procedures for collecting and entering such information;
- ◆ availability of data during the reporting year.

The 2016 management report listed data known by the group at the year-end date. However, these data may need to be corrected over the next year if a significant anomaly is found and backed up by detailed supporting evidence.

With effect from 2014, the consolidation of data on internal electricity consumption is calculated using the Airport Carbon Accreditation method.

The "Consumption of drinking water" (internal + external) indicator includes a "network loss" percentage of around 13%. However, these network losses are not taken into consideration when calculating the "Internal consumption of drinking water" indicator.

For waste indicators:

- ◆ a portion of construction waste is taken into account by the service providers responsible for construction and is not recognised in the total volume of non-hazardous industrial waste collected;
- ◆ Paris-Charles de Gaulle: the "Volume of internal hazardous industrial waste collected" includes an insignificant percentage of hazardous waste produced externally;
- ◆ in the breakdown of internal hazardous waste per treatment type (presented in the table of environmental indicators), the percentage of recycled waste covers the share of waste generated internally, including waste generated in the terminal (passengers, businesses) which is recycled. The percentage of burnt wastes covers the part of wastes being subject to energetic recycling. The percentage of buried wastes covers the part of wastes being subject to burying.

For social indicators:

- ◆ the average workforce is calculated as full-time equivalent on the basis of staff registered as permanent, fixed-term, and specific job contracts (contracts for professionalization, apprenticeship, employment support, future jobs, trainees), excluding Chairman and CEO and Chief Operating Officer;
- ◆ the managed workforce is including the current workforce and suspended contracts as of 31 December;
- ◆ the feminisation rate is calculated on the full and part-time staff managed as at 31 December;
- ◆ employees whose contracts terminated on 31 December are accounted for in the workforce as at 31 December 2016, as well as the leaving occurring during the year;
- ◆ the number of training is calculated for permanent and fixed-term employees. The average number of our allocated by employee is calculated by dividing the total number of training hours by the average workforce in number of people (and not in full-time equivalent). The average workforce in the subsidiaries is not available in 2016 in number of employees hence the absence of data for the indicators for the subsidiaries. It will be elaborated in 2017.

## Consolidation and internal control

Each entity is responsible for the data it provides, as is the department responsible for the consolidation of the indicator published:

- ❖ social data are collected by the Human Resources Department. The main source of data is the Human Resources Information System supplied by the SAP-HR management application. Other systems used are SAP FI (company and consolidated financial statements) and applications specific to workplace safety. The data consolidated and verified at the entity level (Aéroports de Paris and its subsidiaries) are then made available to the Group Human Resources Department,
- ❖ environmental data are collected, audited, consolidated and verified for each airport department by the environmental officer and then consolidated by the Environment and Sustainable Development Department.

During consolidation, consistency checks are performed on the data. Comparisons with results from previous years are made. Differences considered significant are subject to analysis and further processing.

The most sensitive and most relevant data are controlled internally and monitored by the Executive Committee should any decisions need to be made.

Any deviation from these methods is explained by the reporting protocol during the reporting year.

## External controls

The verification of the completeness and fair presentation of social, environmental and societal information published in the 2016 Aéroports de Paris management report pursuant to article L. 225-102-1 paragraph 7 of the French Commercial Code was performed by Deloitte.

Indicators such as CO<sub>2</sub> emissions from energy production plants are audited annually by external parties.

## Grenelle correlation table

The Grenelle correlation table states as follows:

Workforce-related indicators	Y/N	Justification
<b>a) Workforce</b>		
Total staff; Breakdown of staff by age	Y	Chap. 17.1 & chap. 17.2
Gender and geography	Y	Chap. 17.1
New hires and dismissals	Y	Chap. 17.2
Compensation and changes thereof	Y	Chap. 17.1
<b>b) Work organisation</b>		
Organisation of working time	Y	Chap. 17.1
Absenteeism	Y	Chap. 17.2
<b>c) Labour-management relations</b>		
Organisation of labour-management discussions (staff information and consultation procedures, negotiation procedures)	Y	Chap. 17.1
Collective bargaining agreements	Y	Chap. 17.1
<b>d) Health and Safety</b>		
Occupational health and safety conditions	Y	Chap. 17.1
Agreements on occupational health and safety signed with the trade unions and staff representatives	Y	Chap. 17.1
Workplace accidents, frequency and severity, and occupational illnesses	Y	Chap. 17.1 & chap. 17.2
<b>e) Training</b>		
Training policies implemented	Y	Chap. 17.1
Total number of training hours	Y	Chap. 17.2
<b>f) Equal treatment</b>		
Measures taken to promote gender equality	Y	Chap. 17.1
Measures taken to promote the employment and integration of disabled persons	Y	Chap. 17.1
The anti-discrimination policy	Y	Chap. 17.1
<b>g) Promotion and compliance with the provisions of the fundamental conventions of the International Labour Organisation pertaining to</b>		
Respect for freedom of association and the right to collective bargaining	Y	Chap. 17.1
The elimination of discrimination in respect of employment and occupation	Y	Chap. 17.1
The elimination of forced and compulsory labour	Y	Chap. 17.1
The effective abolition of child labour	Y	Chap. 17.1

Environmental indicators	Y/N	Justification
<b>a) Overall environmental policy</b>		
The company's organisational structure for addressing environmental issues and, where applicable, environmental evaluations and certifications	Y	Chap. 17.4
The employee training and information initiatives implemented with respect to environmental protection	Y	Chap. 17.4
The resources devoted to the prevention of environmental risks and pollution	Y	Chap. 17.4
Amount of provisions and guarantees for environmental risks	Y	Chap. 17.4
<b>b) Pollution</b>		
Measures to prevent, reduce and remedy air emissions and water and soil discharges seriously impacting the environment	Y	Chap. 17.4
Account taken of noise pollution and all other forms of pollution specific to an activity	Y	Chap. 17.4
<b>c) Circular economy</b>		
<b>i) Prevention of pollution and waste management</b>		
Measures for prevention, recycling, reuse and other methods of valuation and waste disposal	Y	Chap. 17.4
Fight against food waste	Y	Chap. 17.4
<b>ii) Sustainable use of resources</b>		
Consumption of water	Y	Chap. 17.4
Water supply according to local constraints	Y	Chap. 17.4
Consumption of raw materials and measures taken to improve the efficiency with which they are used	Y	Chap. 17.4
Consumption of energy, measures taken to improve energy efficiency and use of renewable energy sources	Y	Chap. 17.4
Land use	Y	
<b>d) Climate change</b>		
Significant posts for greenhouse gas emissions generated by the company's activity, in particular through the use of the goods and services it produces	Y	Chap. 17.4
Adaptation to the effects of climate change.	Y	Chap. 17.4
<b>e) Protection of biodiversity</b>		
Measures taken to preserve and develop biodiversity	Y	Chap. 17.4
<b>Societal indicators</b>	<b>Y/N</b>	<b>Justification</b>
<b>a) Territorial, economic and social impact of company activity</b>		
For employment and regional development	Y	Chap. 17.1 & chap. 17.5
On neighbouring and local residents	Y	Chap. 17.1 & chap. 17.5
<b>b) Relationships with persons or organisations interested in the Company's business activity (associations working to prevent social exclusion, educational institutions, environmental protection organisations, consumers' associations and local residents)</b>		
Conditions of dialogue with these persons or organisations	Y	Chap. 17.3
Partnership and sponsorship initiatives	Y	Chap. 17.5
<b>c) Sub-contracting and suppliers</b>		
Integration of social and environmental issues into the purchasing policy	Y	Chap. 17.5
Significance of sub-contracting and, taking into account, in relationships with suppliers and sub-contractors, their corporate social responsibility	Y	Chap. 17.5



## MAIN SHAREHOLDERS

### 18.1 SHAREHOLDING OF THE COMPANY <sup>AFR</sup>

149

Breakdown of capital  
Staff shareholder structure  
Double voting rights

150  
150  
150

### 18.2 CHANGE IN THE CONTROL OF THE COMPANY <sup>AFR</sup>

150

### 18.3 SHAREHOLDER AGREEMENT

151

Alliance with Schiphol Group

151

## 18.1 SHAREHOLDING OF THE COMPANY <sup>AFR</sup>

In accordance with article L. 6323-1 of the French Transport Code, the French government must hold the majority of the capital. At 31 December 2016, the French government held 50.6% of the Company's capital and voting rights. The Company considers that there is no risk that the control by the French government will be exercised in an abusive manner. The Company has not issued any securities that do not represent share capital.

Aéroports de Paris identified its shareholders by carrying out an Identifiable Bearer Shares inquiry, as of 31 December 2016, on the basis of the following thresholds: intermediaries holding a minimum of 20,000 shares, shareholders holding a minimum of 50 share. By adding these shareholders to the registered list, 98.9% of the capital was identified. 312 institutional investors were identified in this way.

## Breakdown of capital

	As at 31/12/2016			As at 31/12/2015	
	% of capital	% of voting (including double voting rights) <sup>3</sup>	Number of shares	% of capital and voting rights	Number of shares
Shareholders					
French government authorities	50.6%	58.6%	50,106,687	50.6%	50,106,687
Schiphol Group	8.0%	9.3%	7,916,848	8.0%	7,916,848
Vinci group subsidiary	8.0%	9.3%	7,916,848	8.0%	7,916,848
Predica/Crédit Agricole Assurances	5.1%	5.7%	5,051,791	4.8%	4,757,291
French institutional investors	7.4%	4.3%	7,280,214	7.0%	6,944,513
Non-resident institutional investors	16.2%	9.3%	15,988,996	15.0%	14,881,917
French individuals and unidentified shareholders	2.8%	1.7%	2,732,810	4.7%	4,609,073
Employees <sup>1</sup>	1.9%	2.0%	1,851,739	1.6%	1,602,633
Treasury shares <sup>2</sup>	0.1%	0.0%	114,667	0.2%	224,790
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>98,960,600</b>	<b>100.0%</b>	<b>98,960,600</b>

<sup>1</sup> Includes shares held by employees and former employees of Aéroports de Paris and its subsidiaries through the mutual fund of the Plan d'Épargne Groupe (Group savings scheme) of Aéroports de Paris.

<sup>2</sup> As part of the share buyback programme. At 31 December 2015, Aéroports de Paris held 224,790 treasury shares. These shares have no voting rights.

<sup>3</sup> Pursuant to article L. 225-123 of the French Commercial Code, certain shareholders will automatically be entitled to double voting rights as of 3 April 2016. Breakdown between institutional and individuals shareholders is not available.

The legal shareholder thresholds that have been breached and of which the Company has been informed since the IPO are as follows:

- ◇ undershooting by the French government authorities of the legal threshold of two-thirds of the Company's share capital and the voting rights therein on 1 December 2008. The State had a 60.4% holding following this event;
- ◇ overshooting by NV Luchthaven Schiphol (the Schiphol Group) of the legal threshold of 5% of the Company's capital and voting rights therein on 1 December 2008. NV Luchthaven Schiphol (the Schiphol Group) had an 8% holding following this event;
- ◇ overshooting by *Caisse des dépôts et consignations* of the legal threshold of 5% of the Company's share capital on 15 July 2009; the *Caisse des dépôts et consignations* had an 8.63% holding (direct and indirect holding included) following this event;
- ◇ overshooting by the French government authorities and the *Fonds Stratégique d'Investissement* (FSI), acting jointly, of the legal thresholds of 5%, 10%, 15%, 20%, 25%, 33.3% and 50% of the Company's capital and voting rights therein on 25 November 2009. The government authorities and the FSI had a 60.13% holding following these events;
- ◇ undershooting by the FSI, controlled by *Caisse des dépôts et consignations*, of the legal threshold of 5% of the Company's capital and voting rights on 5 July 2013. The FSI no longer had any holding and the *Caisse des dépôts et consignations* being 0.7% of the Company's capital and voting rights following the event;
- ◇ overshooting by SOC 15, a company controlled by Vinci, of the legal threshold of 5% of the Company's capital and voting rights. SOC 15 held 8.0% of the Company's capital and voting rights following this event;

- ◇ overshooting by Predica, controlled by Crédit Agricole SA, of 5% of the Company's capital and voting rights on 8 August 2016. Predica held 5.01% of the Company's capital and 5.62% of the company's voting rights following this event.

## Staff shareholder structure

A company investment fund (FCPE), FCPE Aéroports, was created for the purposes of holding and managing shares acquired by rights-holders linked to companies included within the Group Savings Plan (PEG). The Fund's Supervisory Board comprises four employee shareholders representing the employee shareholders enrolled in the Plan, and four representatives of Aéroports de Paris and the companies party to the Group Savings Plan. Employee-shareholder representatives are elected by employee shareholders, and the Supervisory Board includes at least one shareholder from each segment. In particular, the Supervisory Board exercises the voting rights attached to the shares contained within the fund, and in connection with this appoints one or more authorised representatives to represent the fund at General Meetings of Shareholders of the Company.

## Double voting rights

Pursuant to article L. 225-123 of the French Commercial Code, since 3 April 2016, shareholders holding registered share for more than two years, have been automatically entitled to double voting rights.

## 18.2 CHANGE IN THE CONTROL OF THE COMPANY AFR

To the best of the Company's knowledge, there is currently no agreement, the implementation of which could later result in a change of control of the Company. article L. 6323-1, paragraph 2, of the French Transport Code provides that the majority of the Company's share capital is held by

the government authorities and, pursuant to article 7 of the Company's Articles of Association, "the changes in the capital ownership cannot result in the government authorities losing the majority of the share capital".

## 18.3 SHAREHOLDER AGREEMENT

### Alliance with Schiphol Group

As part of the implementation of an industrial cooperation agreement ("the Cooperation Agreement") signed between Aéroports de Paris and the Schiphol Group on 14 November 2008 for a duration of 12 years starting from 1 December 2008, and making provision for cross-acquisitions between Aéroports de Paris and the Schiphol Group<sup>1</sup>, two agreements have been signed:

- ◆ a shareholder agreement concerning Aéroports de Paris, signed by the French government authorities and the Schiphol Group, in the presence of Aéroports de Paris;
- ◆ an exit agreement (the "Exit Agreement") signed by Aéroports de Paris and the Schiphol Group.

With regard to the transfer and acquisition of Aéroports de Paris shares, these agreements set out the following provisions:

#### Inalienability of the shares ("lock up")

Schiphol Group undertakes not to transfer ownership of the shares that it holds in Aéroports de Paris for the entire duration of the cooperation agreement except in certain limited cases; the duration of the inalienability may not, excluding exceptional cases, be less than two years.

#### Aéroports de Paris' right of first offer/pre-emptive rights of the Government authorities and Aéroports de Paris

Following termination of the cooperation agreement, Aéroports de Paris has a right of first offer for a limited period of time from the termination of the cooperation agreement, enabling it to make an offer to Schiphol Group for the stock it holds in Aéroports de Paris or to designate a third party to make an offer for the Aéroports de Paris stock. If Aéroports de Paris fails to exercise its right of first offer, or if the Schiphol Group fails to accept its acquisition offer, the Schiphol Group will have the right to alienate its Aéroports de Paris shares, either on the market or to one or more identified persons, it being specified that the French government authorities and Aéroports de Paris will then have a right of pre-emption. The State's right of pre-emption must be exercised within a period set

by the parties, and takes precedence over the right of pre-emption held by Aéroports de Paris.

#### The French government authorities and Aéroports de Paris' right of veto

In the case of a planned transfer to identified persons of Aéroports de Paris of shares held by Schiphol Group, the Government authorities and Aéroports de Paris have a right of veto to oppose this transfer, which may be exercised once per planned transfer and within a timeframe agreed between the parties.

#### Commitment to maintain holdings ("standstill")

Schiphol Group and its affiliates must obtain approval from the Government authorities before increasing their stake in Aéroports de Paris, and cannot act in concert with one or more third parties, except under certain circumstances, to prevent the dilution of Schiphol Group's stake in Aéroports de Paris.

#### Squeeze-out rights of government authorities

The Government authorities have squeeze-out rights on Aéroports de Paris shares held by Schiphol Group, which may be exercised, within a timeframe agreed between the parties, in the case of transfer by the Government authorities of Aéroports de Paris shares leading to the third-party purchaser having to launch a public offer or a stock price guarantee for all of the Aéroports de Paris shares. The purchase price for Aéroports de Paris shares held by the Schiphol Group will be the price per share paid by the third-party purchaser to the State, or the public offer price, or the share-price guarantee, if this is higher. If all or part of the compensation paid by the third-party purchaser is not in cash, this compensation will be assessed at its market value and, in the case of disagreement between the Schiphol Group and the State, an assessment procedure will be implemented to determine this market value in line with the mechanism provided for within the shareholder agreement.

<sup>1</sup> See also the paragraph in Chapter 6 entitled "Partnership with Schiphol Group".

## Termination of Agreements

The Shareholders' Agreement is part of the Cooperation Agreement and is valid for the same term of 12 years, which may be extended. The Shareholders' Agreement will be terminated if the Cooperation Agreement is terminated pursuant to one of the termination conditions listed below, after the provisions governing the sale of the Schiphol Group's shares in Aéroports de Paris have been implemented. Thus, in the event that one of the following "causes for termination" occurs, Aéroports de Paris and/or the Schiphol Group can implement the terms of the Exit Agreement:

- ◆ there is a change in control of either the Schiphol Group or Aéroports de Paris;
- ◆ the Schiphol Group is admitted to trading on a regulated market;
- ◆ the Schiphol Group or Aéroports de Paris loses its right to operate certain airports;
- ◆ a significant failure on the part of the Schiphol Group or Aéroports de Paris to meet its obligations under the Shareholders' Agreements;
- ◆ the Schiphol Group or Aéroports de Paris is placed into liquidation, bankruptcy, or administration (or an analogous procedure);
- ◆ Schiphol Group or Aéroports de Paris is in significant breach of the Cooperation Agreement;
- ◆ there is an irreconcilable difference of opinion and/or permanent stalemate between Schiphol Group and Aéroports de Paris;
- ◆ the French government exercises its right of forced exit as stipulated in the Shareholders' Agreement;
- ◆ Aéroports de Paris sells its stake in the Schiphol Group through a joint or forced sale, as stipulated in the Schiphol Group Shareholders' Agreement;
- ◆ the Schiphol Group becomes excessively diluted; or
- ◆ the conclusion, either by Aéroports de Paris or by the Schiphol Group, of an industrial cooperation agreement with a European airport company that has substantially the same objectives as those described within the Cooperation Agreement, and which raises significant doubts about the achievement of the objectives contained within this Cooperation Agreement.

## Exit terms and conditions

Mutual withdrawals from the capital of Aéroports de Paris and Schiphol Group will take place in a reciprocal manner over a maximum timeframe of 18 months following the occurrence of one of the causes for withdrawal described above. The Schiphol Group will transfer the ADP shares that it holds first, and will keep the proceeds from this transfer, if Aéroports de Paris and Schiphol Group consider this appropriate, in an escrow account, guaranteeing payment of the transfer price for the Schiphol Group shares held by Aéroports de Paris. Finally, in the event of a failure to transfer the Aéroports de Paris shares held by the Schiphol Group at the end of the 18-month period (which may in certain cases be extended to 24 months), Aéroports de Paris may exercise, with a right of substitution, a purchase option for its own shares held by the Schiphol Group under the contractual conditions agreed between the parties (the formula for calculating the price will be based on the average stock-exchange price).

## No joint action between the Government authorities and Schiphol Group

The Government authorities and Schiphol Group have indicated that they do not act and do not intend to act jointly with regard to Aéroports de Paris.

As part of the implementation of an industrial cooperation agreement signed between Aéroports de Paris and the Schiphol Group on 14 November 2008 for a duration of 12 years starting from 1 December 2008, and making provision for cross-acquisitions between Aéroports de Paris and the Schiphol Group, two agreements have been signed: a shareholder agreement concerning Aéroports de Paris, signed by the French government authorities and the Schiphol Group, in the presence of Aéroports de Paris, and an exit agreement ("the Exit Agreement") signed by Aéroports de Paris and the Schiphol Group.



## OPERATIONS WITH RELATED PARTIES

### 19.1 RELATIONS WITH GOVERNMENT AUTHORITIES AND ADMINISTRATIVE AUTHORITIES

Economic and financial supervision	153
French Court of Auditors ( <i>Cour des comptes</i> )	153
General Inspectorate of Finance ( <i>Inspection Générale des Finances</i> )	153
French General Council for the Environment and Sustainable Development	153

### 19.2 OPERATIONS WITH RELATED PARTIES 154

## 19.1 RELATIONS WITH GOVERNMENT AUTHORITIES AND ADMINISTRATIVE AUTHORITIES

The public authorities supervise the activities of Aéroports de Paris by virtue of its state-owned status and its business, in particular its public service activities. This last feature of the relations existing between Aéroports de Paris and the administrative authorities is described in Chapter 6, "Legal and regulatory environment".

### Economic and financial supervision

Article 3 of Decree No. 53-707 of 9 August 1953, as amended, regarding the Government's control over national corporations and certain corporate bodies with an economic and social purpose specifies the terms and conditions for Government control over the components of corporate officers' compensation; the other provisions of this Decree do not apply to Aéroports de Paris.

Equally, Decree No. 55-733 of 26 May 1955 amended, relative to economic and financial control of the Government authorities, applies to the Company.

### French Court of Auditors (*Cour des comptes*)

In addition to the control exercised by the two Statutory Auditors, the Company's financial statements and management report and, where relevant, those of its direct majority subsidiaries, fall within the control

of the Court of Auditors, in accordance with articles L. 133-1 and L. 133-2 of the French Code of Financial Jurisdiction. Therefore, after inspecting the accounts, the Court of Auditors may also request all the documents required to complete its audit mission and to hear any person that it may choose.

### General Inspectorate of Finance (*Inspection Générale des Finances*)

The decree-law of 30 October 1935 organising the Government authorities' control of companies, trade unions and associations or corporations of all kinds that have had recourse to Government authority financial support, enables the Minister responsible for the Economy to subject Aéroports de Paris to inspections by the General Inspectorate of Finance.

### French General Council for the Environment and Sustainable Development

Pursuant to Decree No. 2008-679 of 9 July 2008 on the General Council for the Environment and Sustainable Development, the Council may conduct the studies and investigations required by the Minister responsible for Public Works.

## 19.2 OPERATIONS WITH RELATED PARTIES

Aéroports de Paris has entered into the following agreements:

- ◆ on 31 August 2015, Aéroports de Paris signed a new Economic Regulation Agreement with the French Government for the 2016-2020 period (see Chapter 6 paragraph "Fees");
- ◆ an agreement signed on 30 March 2006 between the Government authorities and Aéroports de Paris setting forth the terms and conditions of retrocession by Aéroports de Paris to the Government authorities of a portion of the real estate capital gain in the event of a closure to public air traffic of all or part of an airfield operated by Aéroports de Paris (see the paragraph in Chapter 8 entitled "Real estate property and facilities");
- ◆ four financial agreements with the Government authorities were drawn up in 2006 pursuant to article 2 of the law of 20 April 2005, setting the amounts and terms of payment of sums owed by the Government authorities in consideration for the retrocession of properties necessary to its public service missions (see the paragraph in Chapter 8 entitled "Real estate property and facilities").

Two agreements were also signed between Aéroports de Paris and the French government regarding the organisation of fire and rescue emergency services: the first agreement, regarding Paris-Charles de Gaulle airport, was signed in October 2009, and the second agreement, regarding Paris-Orly airport, was signed in February 2012. Furthermore, Aéroports de Paris and the relevant government authorities (notably the French Civil Aviation Authority and the Regional Health Agency) have resumed discussions in order to determine the conditions under which emergency medical assistance should be provided at both airports.

Aéroports de Paris is in partnership with the French government and SNCF Réseau, in a consultancy firm, CDG Express Études, which aims to conduct, or appoint third parties to conduct, all the required research studies with a view to creating a direct rail link between Paris and Paris-Charles de Gaulle airport and to take all necessary steps with French and European authorities to ensure the viability of the CDG Express link. The activity of this company will cease during 2017 considering that it has completed its duties and the content of Order No. 2016-157 of 18 February 2016 relating to the construction of a rail infrastructure between Paris and Paris-Charles de Gaulle Airport, which grants to a company held mainly by SNCF Réseau and Aéroports de Paris, a works concession contract for the design, financing, construction or fitting out, operation and maintenance, including servicing and upgrading, of the rail infrastructure intended for the operation of a passenger transport service between Paris and Paris-Charles de Gaulle Airport.

For information on related parties, see note 14 to the consolidated financial statements presented in Chapter 20.

Related-party agreements and commitments, and the Statutory Auditors' report on related-party agreements and commitments for the 2016, 2015 and 2014 financial years are presented in appendix 1 of this Registration Document, and of the 2015 and 2014 Registration Documents.



20

## FINANCIAL INFORMATION ON ASSETS, FINANCIAL POSITION AND RESULTS <sup>AFR</sup>

### 20.1 GROUPE ADP CONSOLIDATED FINANCIAL STATEMENTS AND NOTES AS OF 31 DECEMBER 2016

156

Key figures	156
Glossary	157
Consolidated Income Statement	158
Consolidated Statement of Comprehensive Income	159
Consolidated Statement of Financial Position	160
Consolidated Statement of Cash flows	161
Consolidated Statement of Changes in Equity	162
Notes to the Consolidated financial statements	163

### 20.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

220

### 20.3 COMPANY FINANCIAL STATEMENTS AND NOTES OF AÉROPORTS DE PARIS SA AT 31 DECEMBER 2016

222

Income Statement	222
Assets	223
Liabilities	223
Cash flow statement	224

### 20.3 COMPANY FINANCIAL STATEMENTS AND NOTES OF AÉROPORTS DE PARIS SA AT 31 DECEMBER 2016

225

Notes to the Company financial statements	225
---	-----

### 20.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

250

### 20.5 PRO FORMA FINANCIAL DATA

251

### 20.6 NOT APPLICABLE INTERIM FINANCIAL DATA

251

### 20.7 DIVIDEND DISTRIBUTION POLICY

251

Amount of dividends distributed during the course  
of the last three financial years

251

Dividend distribution policy

251

Statute of limitation

251

### 20.8 LEGAL AND ARBITRATION PROCEEDINGS

251

JSC Investissements

251

Terminal 2E

252

Petitions relating to fees

252

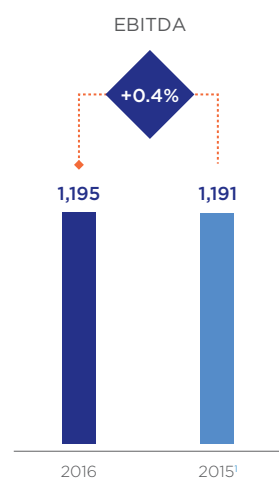
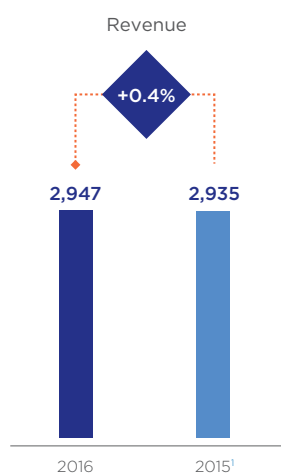
### 20.9 MATERIAL CHANGE IN THE FINANCIAL OR COMMERCIAL POSITION SINCE 31 DECEMBER 2016

252

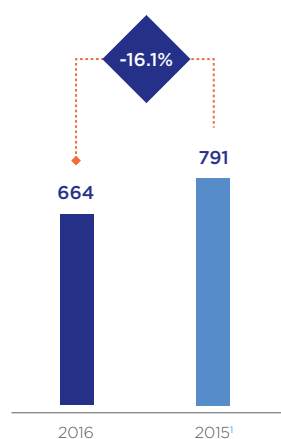
## 20.1 GROUPE ADP CONSOLIDATED FINANCIAL STATEMENTS AND NOTES AS OF 31 DECEMBER 2016

### Key figures

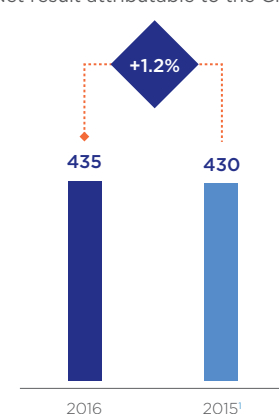
<i>(in millions of euros)</i>	Notes	2016	2015 <sup>1</sup>
<b>Revenue</b>	4	<b>2,947</b>	<b>2,935</b>
<b>EBITDA</b>		<b>1,195</b>	<b>1,191</b>
<i>EBITDA/Revenue</i>		40.6%	40.6%
<b>Operating income from ordinary activities</b>		<b>664</b>	<b>791</b>
<b>Operating income</b>		<b>696</b>	<b>791</b>
<b>Net income attributable to the group</b>		<b>435</b>	<b>430</b>
<i>Dividend per share (in euros)</i>		2.64	2.61
<b>Operating cash flow before change in working capital and tax</b>		<b>1,178</b>	<b>1,158</b>
<b>Purchase of property, plant, equipment and intangible assets</b>	13	<b>(792)</b>	<b>(527)</b>
<b>Equity</b>	7	<b>4,291</b>	<b>4,132</b>
<b>Net financial debt</b>	9	<b>2,709</b>	<b>2,627</b>
<i>Gearing</i>		63%	64%



Operating income from ordinary activities



Net result attributable to the Group



<sup>1</sup> Restated figures as described in Note 4.1.



## Glossary

- ◆ **Revenue** refers to revenues from the ordinary activities of selling goods and services and leasing activities as a lessor.
- ◆ **EBITDA** is an accounting measure of the operating performance of fully consolidated group subsidiaries. It is comprised of revenue and other ordinary income less purchases and current operating expenses excluding depreciation and impairment of property, plant and equipment and intangible assets.
- ◆ **Operating income from ordinary activities** is intended to present the group's recurring operational performance excluding the impact of non-current operations and events during the period. It is composed of EBITDA, depreciation and impairment of tangible and intangible assets, the share of profit or loss **in associates and joint ventures from operating activities**.
- ◆ **Operating income** is the addition of Operating income from ordinary activities and other operating income and expenses, as they are non-recurring and significant in terms of consolidated performance (cf. note 10).
- ◆ **The share of profit or loss in associates and joint ventures from operating activities** (cf. note 4) concerns the share of profit or loss from investments in associates and joint ventures over which the group exercises significant influence or joint control with the following characteristics:
  - ◆ Industrial and/or commercial cooperation projects have been set up;
  - ◆ Groupe ADP participates in the operational decision-making within these companies;
  - ◆ The activity and performance of these companies are regularly monitored and reported throughout the year.
- ◆ **The share of profit or loss in associates and joint ventures from non-operating activities** concerns investments in which the group exercises significant influence without being monitored in an operational way. The group's share of profit or loss of these entities is disclosed on a separate line in the income statement after the operating income (cf. note 11).
- ◆ **Operating cash flow before change in working capital and tax** refers to all the internal resources generated by the company in its operating activities that enable its funding. It includes operating income and expenses that have an effect on cash. This can be found in the consolidated statement of cash flows.
- ◆ **Gross financial debt** as defined by Groupe ADP includes long-term and short-term borrowings and debts (including accrued interest and hedge of the fair value of assets/liabilities related to these debts), debts related to the minority put option (presented in other non-current liabilities) less receivables and current accounts from associates.
- ◆ **Net financial debt** as defined by Groupe ADP refers to gross financial debt less Cash and cash equivalents.
- ◆ **Gearing** is the ratio corresponding to: Net financial debt/Shareholders' Equity (including non-controlling interests).
- ◆ **Minority interests** are non-controlling interests. As part of shareholders' equity in the consolidated result, they are presented separately from shareholders' equity – group share (shareholders' equity of the parent company).
- ◆ **Non-current assets** defined as opposed to **current assets** (these assets intended to be consumed, sold or realized during the financial year, being held to be sold within twelve months or considered as cash) comprise all assets held over a long period, including tangible, intangible and financial assets and all other non-current assets
- ◆ **Non-current liabilities** defined as opposed to **current liabilities** include any liability that will not be settled within a normal operating cycle and within twelve months.

## Consolidated Income Statement

<i>(in millions of euros)</i>	Notes	2016	2015 <sup>1</sup>
<b>Revenue</b>	<b>4</b>	<b>2,947</b>	<b>2,935</b>
Other operating income	4	29	18
Consumables	4	(113)	(110)
Employee benefit costs	5	(698)	(712)
Other operating expenses	4	(996)	(926)
Net allowances to provisions and Impairment of receivables	4 & 8	26	(14)
<b>EBITDA</b>		<b>1,195</b>	<b>1,191</b>
<i>EBITDA/Revenue</i>		40.6%	40.6%
Amortisation & Depreciation	6	(479)	(458)
Share of profit or loss in associates and joint ventures from operating activities	4	(52)	58
<b>OPERATING INCOME FROM ORDINARY ACTIVITIES</b>		<b>664</b>	<b>791</b>
Other operating income and expenses	10	32	-
<b>OPERATING INCOME</b>		<b>696</b>	<b>791</b>
Financial income		26	47
Financial expenses		(141)	(153)
<b>FINANCIAL INCOME</b>	<b>9</b>	<b>(115)</b>	<b>(106)</b>
Share of profit or loss in associates and joint ventures from non-operating activities	11	59	6
<b>INCOME BEFORE TAX</b>		<b>640</b>	<b>691</b>
Income tax expense	12	(202)	(258)
<b>NET RESULTS FROM CONTINUING ACTIVITIES</b>		<b>438</b>	<b>433</b>
<b>NET INCOME</b>		<b>438</b>	<b>433</b>
<b>NET INCOME ATTRIBUTABLE TO THE GROUP</b>		<b>435</b>	<b>430</b>
Net income attributable to non-controlling interests		3	3
Basic earnings per share <i>(in euros)</i>	7	4.40	4.35
Diluted earnings per share <i>(in euros)</i>	7	4.40	4.35
<b>EARNINGS PER SHARE FROM CONTINUING ACTIVITIES ATTRIBUTABLE TO THE GROUP</b>			
Basic earnings per share <i>(in euros)</i>	7	4.40	4.35
Diluted earnings per share <i>(in euros)</i>	7	4.40	4.35

<sup>1</sup> Restated figures as described in Note 4.1.



## Consolidated Statement of Comprehensive Income

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015<sup>1</sup></b>
<b>Net income</b>	<b>438</b>	<b>433</b>
◊ Translation adjustments	1	2
◊ Share of other comprehensive income of associates, net after income tax	5	12
<b>Recyclable elements to the consolidated income statement</b>	<b>6</b>	<b>14</b>
◊ Actuarial gains/losses in benefit obligations of fully consolidated entities	(8)	16
◊ Actuarial gains/losses in benefit obligations of associates	(2)	-
<b>Non-recyclable elements to the consolidated income statement</b>	<b>(10)</b>	<b>16</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>434</b>	<b>463</b>
◊ attributable to non-controlling interests	3	3
◊ attributable to the group	431	460

<sup>1</sup> Restated figures as described in Note 4.1.

## Consolidated Statement of Financial Position

### Assets

<i>(in millions of euros)</i>	Notes	As at 31 Dec. 2016	As at 31 Dec. 2015 <sup>1</sup>
Intangible assets	6	110	104
Property, plant and equipment	6	6,271	5,960
Investment property	6	499	503
Investments in associates	4	1,101	1,229
Other non-current financial assets	9	125	181
<b>NON-CURRENT ASSETS</b>		<b>8,106</b>	<b>7,977</b>
Inventories		26	18
Trade receivables	4	548	516
Other receivables and prepaid expenses	4	116	112
Other current financial assets	9	129	67
Cash and cash equivalents	13	1,657	1,734
<b>CURRENT ASSETS</b>		<b>2,476</b>	<b>2,447</b>
Assets held for sales	2 & 4	10	24
<b>TOTAL ASSETS</b>		<b>10,592</b>	<b>10,448</b>

<sup>1</sup> Restated figures as described in Note 4.1.

### Shareholders' equity and liabilities

<i>(in millions of euros)</i>	Notes	As at 31 Dec. 2016	As at 31 Dec. 2015 <sup>1</sup>
Share capital		297	297
Share premium		543	543
Treasury shares		(12)	(24)
Other equity items		(85)	(81)
<b>Shareholders' equity - Group share</b>		<b>4,284</b>	<b>4,125</b>
Non-controlling interests		7	7
<b>Shareholders' equity</b>	<b>7</b>	<b>4,291</b>	<b>4,132</b>
Non-current debt	9	4,239	4,426
Provisions for employee benefit obligations (more than one year)	5	452	427
Other non-current provisions	8	46	53
Deferred tax liabilities	12	198	229
Other non-current liabilities	8	125	117
Non-current liabilities		5,060	5,252
<b>TRADE PAYABLES</b>	<b>4</b>	<b>472</b>	<b>457</b>
Other debts and deferred income	4	456	464
Current debt	9	265	75
Provisions for employee benefit obligations (less than one year)	5	17	15
Other current provisions	8	23	30
Current tax liabilities	12	8	23
<b>CURRENT LIABILITIES</b>		<b>1,241</b>	<b>1,064</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,592</b>	<b>10,448</b>

<sup>1</sup> Restated figures as described in Note 4.1.



## Consolidated Statement of Cash flows

<i>(in millions of euros)</i>	Notes	2016	2015 <sup>1</sup>
<b>Operating income</b>		<b>696</b>	<b>791</b>
Income and expense with no impact on net cash	13	484	359
Net financial income other than cost of debt		(2)	8
<b>Operating cash flow before change in working capital and tax</b>		<b>1,178</b>	<b>1,158</b>
<b>Change in working capital</b>	<b>13</b>	<b>(77)</b>	<b>62</b>
Tax expenses		(226)	(233)
<b>Cash flows from operating activities</b>		<b>875</b>	<b>987</b>
Proceeds from sale of subsidiaries (net of cash sold) and associates	13	71	5
Purchase of property, plant, equipment and intangible assets	13	(792)	(527)
Change in debt and advances on asset acquisitions		31	72
Acquisition of non-consolidated investments	13	(19)	(49)
Acquisitions of subsidiaries and associates (net of cash acquired)	13	(1)	-
Change in other financial assets		(11)	(6)
Proceeds from sale of property, plant and equipment		27	31
Dividends received	13	70	58
<b>Cash flows from investing activities</b>		<b>(624)</b>	<b>(416)</b>
Capital grants received in the period		15	4
Net purchase/disposal of treasury shares		12	(24)
Dividends paid to shareholders of the parent company	7	(258)	(311)
Dividends paid to non controlling interests in the subsidiaries		(2)	-
Proceeds from long-term debt		7	507
Repayment of long-term debt		(4)	(179)
Interest paid		(115)	(125)
Interest received		18	27
<b>Cash flows from financing activities</b>		<b>(327)</b>	<b>(101)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(76)</b>	<b>470</b>
Net cash and cash equivalents at beginning of the period		1,732	1,262
Net cash and cash equivalents at end of the period	13	1,656	1,732
<i>of which Cash and cash equivalents</i>		1,657	1,734
<i>of which Bank overdrafts</i>		(1)	(2)

<sup>1</sup> Restated figures as described in Note 4.1.

## Consolidated Statement of Changes in Equity

Number of shares	(in millions of euros)	Share capital	Share premium	Treasury shares	Retained earnings	Other equity items	Group share	Non-controlling interests	Total
98,960,600	<b>As at 1 Jan. 2015</b>	<b>297</b>	<b>543</b>	<b>-</b>	<b>3,239</b>	<b>(100)</b>	<b>3,979</b>	<b>1</b>	<b>3,980</b>
	Net income	-	-	-	430	-	430	3	433
	Other equity items	-	-	-	11	19	30	-	30
	<b>Comprehensive income - 2015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>441</b>	<b>19</b>	<b>460</b>	<b>3</b>	<b>463</b>
	Treasury share movements	-	-	(24)	-	-	(24)	-	(24)
	Dividends paid	-	-	-	(311)	-	(311)	-	(311)
	Other changes	-	-	-	21	-	21	3	24
98,960,600	<b>As at 31 Dec. 2015<sup>1</sup></b>	<b>297</b>	<b>543</b>	<b>(24)</b>	<b>3,390</b>	<b>(81)</b>	<b>4,125</b>	<b>7</b>	<b>4,132</b>
	Net income	-	-	-	435	-	435	3	438
	Other equity items	-	-	-	-	(4)	(4)	-	(4)
	<b>Comprehensive income - 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>435</b>	<b>(4)</b>	<b>431</b>	<b>3</b>	<b>434</b>
	Treasury share movements	-	-	12	-	-	12	-	12
	Dividends paid	-	-	-	(258)	-	(258)	(3)	(261)
	Other changes	-	-	-	(26)	-	(26)	-	(26)
98,960,600	<b>AS AT 31 DEC. 2016</b>	<b>297</b>	<b>543</b>	<b>(12)</b>	<b>3,541</b>	<b>(85)</b>	<b>4,284</b>	<b>7</b>	<b>4,291</b>

<sup>1</sup> Restated figures as described in Note 4.1.

Details of change in consolidated shareholder's equity and the detail of other equity items are given in note 7.

## Notes to the Consolidated financial statements

### // DETAILED SUMMARY OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<b>NOTE 1</b>	<b>BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>163</b>	<b>NOTE 11</b>	<b>SHARE OF PROFIT OR LOSS IN ASSOCIATES AND JOINT VENTURES FROM NON-OPERATING ACTIVITIES</b>	<b>207</b>
<b>NOTE 2</b>	<b>SIGNIFICANT EVENTS</b>	<b>165</b>	<b>NOTE 12</b>	<b>INCOME TAXES</b>	<b>207</b>
<b>NOTE 3</b>	<b>SCOPE OF CONSOLIDATION</b>	<b>166</b>	<b>NOTE 13</b>	<b>CASH AND CASH EQUIVALENTS AND CASH FLOWS</b>	<b>209</b>
<b>NOTE 4</b>	<b>INFORMATION CONCERNING THE GROUP'S OPERATING ACTIVITIES</b>	<b>167</b>	<b>NOTE 14</b>	<b>RELATED PARTIES DISCLOSURE</b>	<b>212</b>
<b>NOTE 5</b>	<b>COST OF EMPLOYEE BENEFITS</b>	<b>182</b>	<b>NOTE 15</b>	<b>OFF-BALANCE SHEET COMMITMENTS</b>	<b>214</b>
<b>NOTE 6</b>	<b>INTANGIBLE ASSETS, TANGIBLE ASSETS AND INVESTMENT PROPERTY</b>	<b>186</b>	<b>NOTE 16</b>	<b>LITIGATIONS, LEGAL AND ARBITRATION PROCEEDINGS</b>	<b>214</b>
<b>NOTE 7</b>	<b>EQUITY AND EARNINGS PER SHARE</b>	<b>191</b>	<b>NOTE 17</b>	<b>SUBSEQUENT EVENTS</b>	<b>215</b>
<b>NOTE 8</b>	<b>OTHER PROVISIONS AND OTHER NON-CURRENT LIABILITIES</b>	<b>192</b>	<b>NOTE 18</b>	<b>AUDITOR'S FEES</b>	<b>215</b>
<b>NOTE 9</b>	<b>FINANCING</b>	<b>194</b>	<b>NOTE 19</b>	<b>COMPANIES WITHIN THE SCOPE OF CONSOLIDATION</b>	<b>216</b>
<b>NOTE 10</b>	<b>OTHER OPERATING INCOMES AND EXPENSES</b>	<b>206</b>			

## NOTE 1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

### 1.1 Basis of preparation of financial statements

The group's financial statements at 31 December 2016 were approved by the Board of Directors on 22 February 2017. They will be submitted for approval by the shareholders during the Annual General Meeting to be held on 11 May 2017.

Aéroports de Paris SA is a company domiciled in France. The group's shares have been traded on the Paris stock exchange since 2006 and are currently listed on Euronext Paris Compartment A.

The consolidated financial statements comprise Aéroports de Paris SA financial statements and its subsidiaries as well as the group's interests in associates and jointly controlled entities. The companies included in the consolidation scope prepared their individual statements for the year or interim period ended 31 December 2016.

The consolidated financial statements currency is euro. The values in the tables are in millions of euros. The use of rounded figures may sometimes leads to an insignificant gap on the totals or the variations.

#### Basis for the preparation of the financial statements

Preparing financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions which affect the application of accounting policies and the amounts of assets and liabilities, income and expenses or disclosures in the notes.

The underlying estimates and assumptions are based on historical experience and on the basis of the information available, or situations prevalent at the date of preparation of the accounts. Depending on changes in those assumptions and situations, estimated amounts accounted in the financial statements could differ from actual values.

Such estimates and assumptions used for the preparation of the financial statements concern essentially:

- ◆ Pension plans, termination benefits and other post-employment benefits (cf. note 5);
- ◆ Impairment tests of non-current assets and impairment tests of Investments in joint associates or joint venture (cf. paragraph 4.10.2);
- ◆ Provisions for risks and litigation (cf. note 8);
- ◆ The fair value of investment property (cf. note 6).

## 1.2 Accounting policies

### Adopted IFRS as endorsed by the EU

The group's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union as at 31 December 2016.

These standards are available on the European Commission's web site at the following address:

[http://ec.europa.eu/internal\\_market/accounting/ias/index\\_fr.htm](http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm).

These accounting principles do not differ from the International Financial Reporting Standards issued by the IASB, insofar as the standards and interpretations published by the IASBB, but have not yet been approved by the European Union, do not have any significant impact on the consolidated financial statements of Groupe ADP.

### Standards, amendments and interpretations that have been endorsed by the EU and mandatory effective on 1 January 2016

Standards and amendments effective on 1 January 2016 and that have not been applied earlier by the group are the following:

- ◆ Amendments to IFRS 11 - Accounting for Acquisitions of Interests in Joint Ventures (issued in May 2014);
- ◆ Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation (issued in May 2014);
- ◆ Annual improvements to IFRS 2012-2014 (issued in September 2014);
- ◆ Amendments to IAS 1 - Disclosure initiative (issued in December 2014);
- ◆ Amendments to IAS 19 - Defined benefit plans: employee contributions (issued in November 2013);
- ◆ Annual improvements to IFRS 2010-2012 (issued in December 2013).

The impact of these new amendments is considered immaterial on consolidated statements.

### Standards, amendments and interpretations that have been endorsed by the EU and applicable after 1 January 2016 and not adopted early by the group

The group has not applied the following standards, amendments and interpretations that are not applicable in 2016 but should subsequently be mandatory:

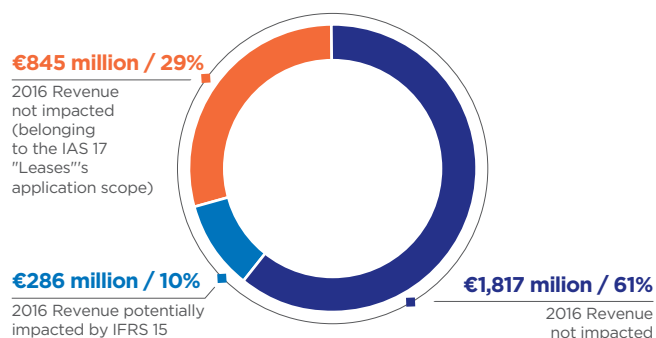
- ◆ IFRS 15 - Revenue from contracts with customers (issued in May 2014) and amendments to IFRS 15 - Date of entry into force (issued in September 2015). This standard will replace IAS 18 Revenue and IAS 11 Construction Contracts. This standard has been endorsed by 22 September 2016 regulation and must be applied from 2018 and subsequent years;
- ◆ Clarifications to IFRS 15 (issued in April 2016). The objective of this project is to clarify the guidance in IFRS 15 in respect of issues arising from the discussions of the TRG (Transition Resource Group). These topics are mainly related to the identification of performance obligations, distinction between principal versus agent and licenses. This standard must be applied from 2018 onwards subject to its adoption by the European Union;
- ◆ IFRS 16 - Leases (issued in January 2016). This standard will replace the standard IAS 17 as well as related IFRIC 4 Interpretation, SIC 15 and SIC 27. This standard must be applied from 2019 onwards subject to its adoption by the European Union;
- ◆ IFRS 9 Financial Instruments (issued in July 2014). This standard deals with classification and measurement of financial instruments, impairment of financial instruments and hedge accounting. IFRS 9 will replace IAS 39 Financial Instruments and has been endorsed by the EU on 22 November 2016. This standard must be applied from 2018 and subsequent years;
- ◆ Amendments to IAS 12 - Recognition of deferred tax assets for unrealised loss (issued in January 2016);
- ◆ Amendments to IAS 7 - proposed amendment under disclosure initiative (issued in January 2016);
- ◆ Amendments to IFRS 2 - classification and measurement of share-based payment transactions (issued in June 2016);
- ◆ Annual improvements to IFRS Standards 2014-2016 Cycle (issued on December 2016);
- ◆ IFRIC Interpretation 22 - Foreign Currency Transactions and Advance Consideration (issued on December 2016);
- ◆ Amendments to IAS 40: Transfers of Investment Property (issued on December 2016).

The group is currently assessing its revenue to determine the impact of IFRS 15 (and its clarifications) on its consolidated financial statements.

Preliminary analysis permit to consider that this standard should have a limited impact as 90% of Revenues recognition should not change with the implementation of IFRS 15.



Revenues not impacted by the implementation of IFRS 15 are mainly composed by leases, which are recognized according to IAS 17 "Leases", airport fees and revenues from airport safety and security services which are compliant to IFRS 15 revenue recognition principles.



Airport fees relate to a set of services used on short cycles (flight departure, flight arrival, parking of the aircraft) by the airlines on their own initiative. In consequence, revenues from airport fees are recognized when services are rendered on the basis of regulated prices applicable to all airlines.

With respect to airport safety and security services delegated to Aéroports de Paris SA by the *Direction Générale de l'Aviation Civile* (DGAC), revenues are recognized simultaneously as estimated costs eligible for reimbursement by the DGAC are incurred. This mission, including a set of services, is analysed as a whole performance obligation to satisfy continuously by Aéroports de Paris SA, the latter having primary responsibility for carrying out the mission to the DGAC.

The group also analyses IFRS 9 to determine its impact on its financial statements. This standard introduces a new approach to the classification and measurement of financial assets, which will in particular modify the classification rules for non-consolidated loans and financial securities as well as the rules for impairment of receivables currently applied by the group.

Regarding IFRS 16 - Leases, the standard requires the lessee to recognize all non-short-term leases and those on low-value assets in the balance sheet of the lessee. To date, operating leases expenses are recognized as operating expenses.

Finally, as regards the standards mentioned above, they are not expected to have a material impact on the group's consolidated financial statements.

## NOTE 2 SIGNIFICANT EVENTS

### Sale of the group's equity interest in Mexican Airport Operator OMA

In October 2016, Groupe ADP exercised its option to exchange 25.5% of the shares held in SETA (Servicios de Tecnología Aeroportuaria SA de CV) for Class B shares of OMA (Grupo Aeroportuario del Centro Norte), for 4.3% of the capital of OMA, held by SETA. These shares were subsequently sold through a private placement. As a result of this transaction, the group is no longer a shareholder of OMA or SETA. The result of this transaction before tax on companies amounts to €58 million (including the share of income accounted for by the equity method up to the sale date of €5 million). This result is presented on the line Share of profit in associates from non-operating activities.

### Proposed transfer of TAV Construction

The increase in TAV Construction's exposure to non-airport construction projects led Groupe ADP's management to decide at the end of December 2016 to transfer the whole of its stake in TAV Yatirim Holding (TAV Investment), representing 49% of the capital of this holding company, which holds 100% of TAV Construction.

As of 31 December 2016, this disposal is considered highly probable and should, regarding to the progress of the negotiations with potential purchasers, be completed in 2017. In 2016, TAV Construction shares were depreciated by €45 million and then have been reclassified under "Assets held for sale" at 31 December 2016.

## NOTE 3 SCOPE OF CONSOLIDATION

### 3.1 Accounting principles related to the scope

#### Consolidation principles

The consolidated accounts comprise financial statements of Aéroports de Paris SA, and its subsidiaries controlled exclusively.

In accordance with IFRS 11, joint arrangements are accounted differently depending on whether it involves joint operations or joint ventures. The group records its interests in joint operations by integrating its shares of assets, liabilities, income and expenses. Investments in joint ventures that are jointly controlled as well as those in which the group exercises significant influence are accounted for under the equity method. Under this method, the investment is recognized:

- ◇ initially at cost (including transaction costs);
- ◇ and is subsequently increased or decreased to recognize the group's share of profit or loss and other movements in equity in the investee after the acquisition. The group's share of profit or loss is recognized in the income statement, in a specific line either within the operating income or after the operating income depending on the nature of the investment (cf. glossary).

If there is objective evidence that an impairment loss has been incurred with respect to the net investment in an investee, an impairment test is performed. An impairment loss is recognized if the recoverable value of the investment falls below its carrying value.

#### Conversion of the financial statements of foreign subsidiaries, joint ventures and associated companies

The financial statements of foreign companies, whose functional currency is not the euro, are converted in euro as follows:

- ◇ assets and liabilities of each balance sheet presented are converted according to the closing rate in effect on each balance sheet date;
- ◇ income and expenditure and cash flows for each income statement are converted at exchange rates close to those in effect on the dates of transactions;
- ◇ the resulting exchange differences are accounted for as other elements on the comprehensive income statement and are reported on the balance sheet as equity in translation reserves.

None of the companies included within the scope of consolidation are situated in a hyperinflationary economy.

#### Conversion of transactions denominated in foreign currencies

Transactions denominated in foreign currencies are recognized as follows:

- ◇ foreign currency transactions are initially recorded at the rate of exchange on the transaction date;
- ◇ at each closing balance sheet date, foreign currency monetary amounts are converted using the rate at the closing date, non-monetary items which are assessed at their historical cost are reported using the initial exchange rate, and non-monetary items assessed at fair value are reported at the rate in effect when the fair value was determined;
- ◇ exchange differences arising from settling or converting monetary items are reported in income under net financial charges.

#### Business combinations

All business combinations are accounted for according to the acquisition method in accordance with IFRS 3. This method consists in assessing the fair value of the identifiable assets and liabilities of acquire at the acquisition date. The difference between the consideration paid and the share acquired in the fair value of the net identifiable assets is recognised:

- ◇ in the assets, as a Goodwill if this difference is positive;
- ◇ in the income statement as an "Other operating income" if this difference is negative.

Non-controlling interests may be valued either at fair value (full goodwill method) or at their share in the fair value of the net assets of the acquired company (partial goodwill method). In accordance with IFRS 3, the decision is made individually for each transaction.

In case of a put option held by non-controlling interests, interests held by non-controlling interests are reclassified from equity to liability. The put liability is measured initially at the present value of the exercise price. Subsequent Changes are recognised:

- ◇ In equity share of the group for the estimated put change in the period price;
- ◇ In financial expenses to the extent of the discounting effect.

After the business combination, subsequent changes in interests that do not modify the control over acquire are considered as a transaction between shareholders and are accounted for directly in equity.

### 3.2 Changes in the scope of consolidation

#### 3.2.1 Changes in the scope of consolidation for 2016

Changes in the scope of consolidation for 2016 are the following:

- ◇ On February 2016, disposal of the company Cires Telecom that was held by Hub One for a stake of 49%;
- ◇ The company Hub Safe Event entered into the scope of consolidation of Hub Safe for a stake of 100% in May 2016;
- ◇ Sale of the group's equity interest in Mexican Airport Operator OMA (cf. paragraph note 2);
- ◇ In July 2016, foundation of the company Roméo SCI held by Aéroports de Paris Investissement for a stake of 100%;

- ◇ Acquisition by Roissy Continental Square of the entire share capital of the company Hôtel RO3 SAS in July 2016;
- ◇ ADP Ingénierie acquired 20% of ADPI Middle East shares to the minority shareholder which brings its stake to 100%;
- ◇ The company Alacrité entered into the scope of consolidation of Hub One for a stake of 24% in November 2016;
- ◇ Merger by absorption of the company Tank Holding Öw by Aéroports de Paris SA on 30 December 2016;
- ◇ The company Ravinala Airports entered into the scope of consolidation of ADP Management for a stake of 35% in December 2016.



### 3.2.2 Reminder of the changes in the scope for 2015

In 2015, the significant changes in scope of consolidation were:

- ◆ Establishment of the Aéroports de Paris SA Foundation;
- ◆ On 5 May 2015, Aéroports de Paris SA exercised the call option granted to it by G3S covering 20% of the share capital and the voting rights of Alyzia Holding;
- ◆ The Chilean company Sociedad Concesionaria Nuevo Pudahuel SA (SCNP) entered into the scope of consolidation of Aéroports de Paris Management for a stake of 45%;

- ◆ Foundation of the company EPIGO jointly controlled by Aéroports de Paris SA and SSP;
- ◆ Change of name of the company Hub Safe Régions in Hub Safe Nantes and foundation of the company Hub Safe Régional for a stake of 100%;
- ◆ Merger by absorption of the company Tank International Lux by Aéroports de Paris SA on 30 December 2015.

## NOTE 4 INFORMATION CONCERNING THE GROUP'S OPERATING ACTIVITIES

### 4.1 Restated accounts 2015

The comparative figures for 2015 include:

- ◆ a change in the scope of the regulated asset base;
- ◆ and the full consolidation of the accounts of Média Aéroports de Paris previously accounted for by the equity method.

The change in the scope of the regulated asset base proposed by Groupe ADP and confirmed by the Airport Consultative Committee (Commission Consultative Aéroportuaire) resulted in a change in the asset allocation key of the asset base on 1 January 2016. In order to facilitate the reading and understanding of the group's performance in 2016 compared to 2015, segmented restated accounts have been prepared. The 2015 revenue is presented according to the regulatory rules applicable in 2015, while the 2015 expenses take into account the impact of the change of the analytical allocation keys.

Impact on 2015 EBITDA restated compared to 2015 published for:

- ◆ the Aviation segment: +€26 million;
- ◆ the Retail and services segment: -€20 million;
- ◆ the Real estate segment: -€6 million.

Impact on operating income from ordinary activities:

- ◆ the Aviation segment: +€42 million;
- ◆ the Retail and services segment: -€32 million;
- ◆ the Real estate segment: -€10 million.

Regarding Média Aéroports de Paris, Groupe ADP reviewed its links with that company and considers that it exercises a control over it, previously accounted for by the equity method.

The following tables present the impact of these changes on the consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows:

## Consolidated income statement

<i>(in millions of euros)</i>	2015 as published	2015 restated
<b>Revenue</b>	<b>2,916</b>	<b>2,935</b>
<i>Aviation</i>	1,735	1,735
<i>Retail and services</i>	917	936
<i>Real estate</i>	265	265
<i>International and airport developments</i>	96	96
<i>Other activities</i>	215	215
<i>Inter-sector eliminations</i>	(312)	(312)
<b>EBITDA</b>	<b>1,184</b>	<b>1,191</b>
<i>Aviation</i>	443	469
<i>Retail and services</i>	552	540
<i>Real estate</i>	170	164
<i>International and airport developments</i>	(8)	(9)
<i>Other activities</i>	27	27
<b>Amortisation &amp; Depreciation</b>	<b>(457)</b>	<b>(458)</b>
Share in associates and joint ventures from operating activities after adjustments related to acquisition of holdings	60	58
Share of profit or loss of operating associates and joint ventures before adjustments related to acquisition of holdings	107	105
Adjustments related to acquisition of holdings in operating associates and joint ventures	(47)	(47)
<b>Operating income from ordinary activities (including operating activities of associates)</b>	<b>787</b>	<b>791</b>
<i>Aviation</i>	139	181
<i>Retail and services</i>	468	440
<i>Real estate</i>	115	105
<i>International and airport developments</i>	53	53
<i>Other activities</i>	12	12
<b>Operating income (including operating activities of associates)</b>	<b>787</b>	<b>791</b>
Financial income	(106)	(106)
Associates from non-operating activities	6	6
Income taxes	(256)	(258)
Net income attributable to non-controlling interests	1	3
<b>NET INCOME ATTRIBUTABLE TO THE GROUP</b>	<b>430</b>	<b>430</b>

## Consolidated state of the financial situation

<i>(in millions of euros)</i>	As at 31 Dec. 2015 published	As at 31 Dec. 2015 restated
<b>Non-current assets</b>	<b>7,977</b>	<b>7,977</b>
<b>Current assets</b>	<b>2,434</b>	<b>2,447</b>
<b>TOTAL ASSETS</b>	<b>10,435</b>	<b>10,448</b>



(in millions of euros)

	As at 31 Dec. 2015 published	As at 31 Dec. 2015 restated
<b>Shareholders' equity - Group share</b>	<b>4,125</b>	<b>4,125</b>
Non-controlling interests	1	7
<b>SHAREHOLDERS' EQUITY</b>	<b>4,126</b>	<b>4,132</b>
<b>Non-current liabilities</b>	<b>5,253</b>	<b>5,251</b>
<b>Current liabilities</b>	<b>1,056</b>	<b>1,064</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,435</b>	<b>10,448</b>

## Consolidated cash flows

(in millions of euros)

	2015 published	2015 restated
<b>Operating income</b>	<b>787</b>	<b>791</b>
<b>Operating cash flow before change in working capital and tax</b>	<b>1,151</b>	<b>1,158</b>
<b>Change in working capital</b>	<b>83</b>	<b>62</b>
<b>Cash flows from operating activities</b>	<b>1,003</b>	<b>987</b>
<b>Cash flows from investing activities</b>	<b>(438)</b>	<b>(416)</b>
<b>Cash flows from financing activities</b>	<b>(99)</b>	<b>(101)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>466</b>	<b>470</b>
Net cash and cash equivalents at beginning of the period	1,262	1,262
Net cash and cash equivalents at end of the period	1,728	1,732
<i>of which Cash and cash equivalents</i>	<i>1,729</i>	<i>1,734</i>
<i>of which Bank overdrafts</i>	<i>(1)</i>	<i>(2)</i>

## 4.2 Operating sectors

In accordance with IFRS 8 "Operating sectors", sectoral information described below is consistent with internal reporting and sector indicators presented to the group's operation decision maker (the CEO), in order to take decisions concerning resources to be dedicated to the sector and to evaluate the performance.

The operating sectors identified in Groupe ADP are as follows:

**Aviation:** this operating sector includes all goods and services provided by the group as an airport operator. Airport services are mainly paid for by the airport fees (landing, parking and passengers), ancillary fees (check-in and boarding counters, baggage sorting facilities, de-icing facilities and the supplying of electricity to aircraft, etc.) and the revenue from security and airport safety services such as security checkpoints and screening systems, aircraft rescue and fire-fighting services.

**Retail and services:** this operating sector is dedicated to retail activities provided to the general public. It includes rental income from retail activities in terminals (retails shops, bars and restaurants, banks and car rentals), activities of joint ventures involved in commercial distribution (Société de Distribution Aéroportuaire and RELAY@ADP), revenue from advertising (Média Aéroports de Paris) and restaurants (EPIGO), revenue from car parks, rental revenue (leasing of space within terminals and revenue from industrial services: production and supply of heat, drinking water, access to the chilled distribution networks...). This sector also includes the agreement related to the construction of the Paris-Orly metro station on behalf of the company "Société du Grand Paris".

**Real estate:** this operating sector includes all the group's property leasing services except for operating leases within airport terminals. These activities are operated by Aéroports de Paris SA and dedicated subsidiaries, or investments in associates and joint ventures (cf. list in note 19) and encompass the construction, commercialisation and lease management of office buildings, logistic buildings and freight terminals. This sector also includes the rent of serviced land.

**International and airport developments:** this sector includes subsidiaries and holdings which operate airport activities (design, building and operation) and are managed together to create synergies and support the group's ambition. It includes the ADP Ingénierie subgroup, the Aéroports de Paris Management subgroup and investments in Schiphol Group, TAV Airports, and TAV Construction;

**Other activities:** this operating sector comprise all activities carried out by Aéroports de Paris SA subsidiaries, which operate in areas as varied as security services (Hub Safe) and telephony (Hub One). Since 2014, it also includes the company CDG Express Études, whose purpose is to carry out directly or indirectly all the necessary studies to achieve the CDG Express project.

Key indicators used and reviewed internally by the operation decision-maker of the group are:

- ◇ Revenue;
- ◇ EBITDA;
- ◇ Share of profit or loss in associates and joint ventures from operating activities;
- ◇ Operating income from ordinary activities.

Revenue and net income of Groupe ADP break down as follows:

(in millions of euros)	Revenue				EBITDA	
	2016	of which inter-sector revenue	2015 <sup>1</sup>	of which inter-sector revenue	2016	2015 <sup>1</sup>
Aviation	1,743	(2)	1,735	1	488	469
Retail and services	941	151	936	141	527	540
Real estate	263	52	265	52	149	164
International and airport developments	97	14	96	13	2	(9)
Other activities	223	105	215	105	29	27
Eliminations	(320)	(320)	(312)	(312)	-	-
<b>TOTAL</b>	<b>2,947</b>	<b>-</b>	<b>2,935</b>	<b>-</b>	<b>1,195</b>	<b>1,191</b>

<sup>1</sup> Restated figures as described in Note 4.1.

(in millions of euros)	Amortisation & Depreciation		Share of profit or loss in associates and joint ventures from operating activities <sup>2</sup>		Operating income from ordinary activities	
	2016	2015 <sup>1</sup>	2016	2015 <sup>1</sup>	2016	2015 <sup>1</sup>
Aviation	(303)	(288)	-	-	186	181
Retail and services	(119)	(108)	1	8	409	440
Real estate	(43)	(46)	(2)	(13)	104	105
International and airport developments	-	(1)	(51)	63	(49)	53
Other activities	(14)	(15)	-	-	14	12
<b>TOTAL</b>	<b>(479)</b>	<b>(458)</b>	<b>(52)</b>	<b>58</b>	<b>664</b>	<b>791</b>

<sup>1</sup> Restated figures as described in Note 4.1.

<sup>2</sup> Including adjustments related to acquisition of holdings. These adjustments relate mainly to the depreciation of intangible assets (concession agreements, customer relationship) either 55 million in 2016 and 47 million in 2015.



## Revenue 2016

(320)

Intersegment eliminations

223

Other activities

97

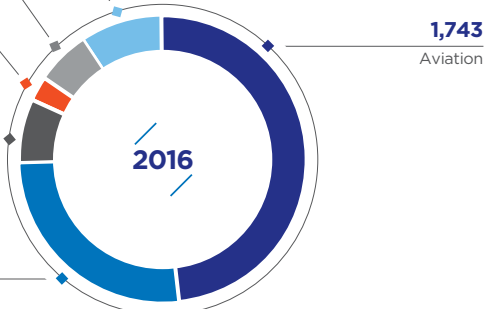
International  
and airport  
development

263

Real Estate

941

Retail and services



## Revenue 2015

(312)

Intersegment eliminations

215

Other activities

96

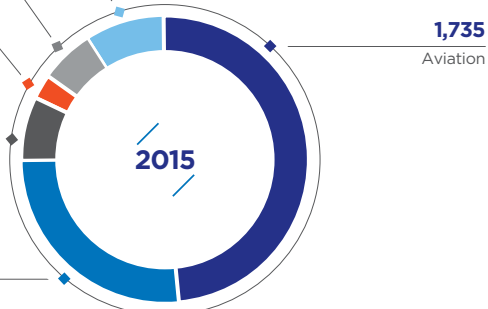
International  
and airport  
development

265

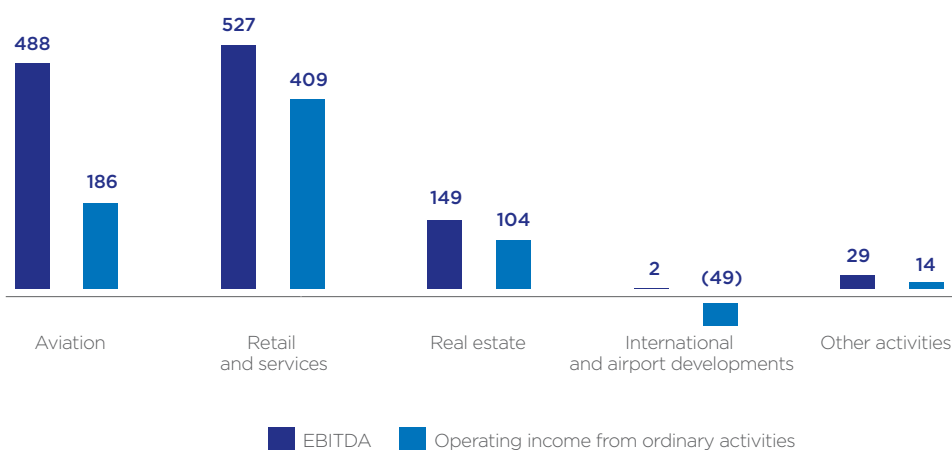
Real Estate

936

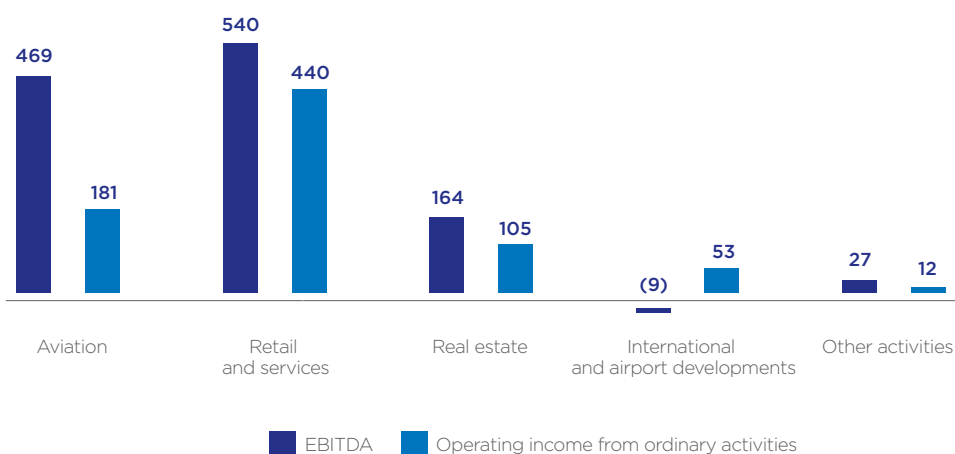
Retail and services



## EBITDA and 2016 operating income from ordinary activities



## EBITDA and 2015 operating income from ordinary activities<sup>1</sup>



<sup>1</sup> See note 4.2

The breakdown of the group's revenue per operating sector and main customers is as follows:

	2016					
<i>(in millions of euros)</i>	Aviation	Retail and services	Real estate	International and airport developments	Other activities	Total
<b>Revenue</b>	<b>1,745</b>	<b>790</b>	<b>211</b>	<b>83</b>	<b>118</b>	<b>2,947</b>
Air France	578	68	82	-	8	736
Easy Jet	62	1	-	-	-	63
Federal Express Corporation	10	1	23	-	-	34
Vueling Airlines SA	28	-	-	-	-	28
Delta Airlines Inc	26	1	-	-	-	27
Other airlines	514	28	7	-	1	550
<b>TOTAL AIRLINES</b>	<b>1,218</b>	<b>99</b>	<b>112</b>	<b>-</b>	<b>9</b>	<b>1,438</b>
Direction Générale de l'Aviation Civile	496	1	-	-	-	497
Société de Distribution Aéroportuaire	-	272	-	-	1	273
RELAY@ADP	-	27	-	-	-	27
Travelex Paris SAS	-	15	-	-	-	15
EPIGO	-	14	-	-	-	14
Other customers	31	362	99	83	108	683
<b>TOTAL OTHER CUSTOMERS</b>	<b>527</b>	<b>691</b>	<b>99</b>	<b>83</b>	<b>109</b>	<b>1,509</b>

	2015 <sup>1</sup>					
<i>(in millions of euros)</i>	Aviation	Retail and services	Real estate	International and airport developments	Other activities	Total
<b>Revenue</b>	<b>1,734</b>	<b>795</b>	<b>213</b>	<b>83</b>	<b>110</b>	<b>2,935</b>
Air France	575	69	78	-	9	731
Easy Jet	60	1	-	-	-	61
Federal Express Corporation	10	1	23	-	-	34
Delta Airlines Inc	24	1	-	-	-	25
Other airlines	530	21	5	-	1	557
<b>TOTAL AIRLINES</b>	<b>1,199</b>	<b>93</b>	<b>106</b>	<b>-</b>	<b>10</b>	<b>1,408</b>
Direction Générale de l'Aviation Civile	502	-	-	-	-	502
Société de Distribution Aéroportuaire	-	273	-	-	1	274
Relay@adp	-	27	-	-	-	27
Travelex Paris SAS	-	22	-	-	-	22
Other customers	33	380	107	83	99	702
<b>TOTAL OTHER CUSTOMERS</b>	<b>535</b>	<b>702</b>	<b>107</b>	<b>83</b>	<b>100</b>	<b>1,527</b>

<sup>1</sup> Restated figures as described in Note 4.1.



## 4.3 Revenue

Groupe ADP revenue breaks down as follows:

◆ **Airport and ancillary fees:** the pricing of these fees is governed by the Economic Regulation Agreement (ERA) for the 2016-2020 period signed with the French State (except for the service fee for assistance to the disabled people and those with reduced mobility). This multi-annual agreement sets the cap for airport fees for the 2016-2020 period. Under these regulations, the airport operator receives a fair return on capital invested as part of its missions within the regulated scope. This scope includes all Aéroports de Paris activities at airports in the Paris region with the exception of activities related to retail and services, land and real estate activities that are not aviation-related, activities linked to security and safety financed by the airport tax. Also included in this scope is the management by Aéroports de Paris SA of assistance with soundproofing for local residents, and other activities carried out by subsidiaries.

◆ **Airport fees** include fees per passenger, landing fees and parking fees, calculated respectively according to the number of boarded passengers, parking time and the weight of the aircraft.

◆ **Ancillary fees** include fees for the provision of facilities such as check-in and boarding desks, baggage sorting facilities and fixed installations for the supply of electricity; fees for support services for disabled people and those with reduced mobility; and other ancillary fees linked to check-in and boarding technology, airport circulation (badges), and the use of solid waste shredding and de-icing stations.

In accordance with IAS 18 (Revenue), fees are recorded for the period during which the service is provided.

◆ **Revenue from airport safety and security services:** Aéroports de Paris SA receives revenue within the context of its public service mission for security, air transport safety, rescue and firefighting of aircrafts. This revenue covers the costs incurred in this mission. It is paid by the *Direction Générale de l'Aviation Civile* (DGAC) which funds it through the airport security tax levied on airlines companies. This revenue is recognized as the estimated costs eligible for reimbursement by the DGAC are incurred.

◆ **Revenue from retail and services** is comprised of variable rents paid by business activities (shops, bars and restaurants, advertising, banks and currency exchange, car rental agencies, other terminal rentals) that are accounted for as income for the financial year in which it was generated; and rental income which corresponds to the fixed income received attached to leased areas in airports and is recognised on a straight-line basis over the term of the lease in accordance with IAS 17 (Leases). This aggregate also includes the revenue related to the construction of a metro station in Paris-Orly on behalf of the company "Société du Grand Paris". As studies and works of the metro station will be carried out over the period from 2015 to 2024, Groupe ADP has recognized the revenue using the

percentage of completion method whereby revenue and profit are based on a ratio of costs incurred to total estimated costs of the project in accordance with IAS 11 (Construction contracts). Insofar as the overall profit or loss on completion of this project cannot be reliably determined, revenue recognition is limited to cost incurred.

◆ **Revenue from car parks and access routes** concerns mainly the management of car parks and access (roads, shuttles, bus stations etc.) and is recorded when the customer is using the service.

◆ **Revenue from industrial services**, such as the production and supply of heat for heating purposes, the production and supply of cool air for air-conditioned facilities and chilled water distribution networks, the supply of drinking water and waste water collection, waste collection and the supply of electrical current. This revenue is accounted for during the period in which the service was provided.

◆ **Real estate revenue** is comprised of rental income from real-estate shares related to airport activity (except airports) and diversified real estate. This revenue is derived from operating leases. Fixed payments are on a straight-line basis over the term of the lease in accordance with IAS 17 (Leases). Rental charges due from tenants are accounted for as rental income.

◆ **Other revenue** comprises mostly revenue generated by the subsidiaries and financial income from operations below:

◆ Financial income generated as the lessor on financial leases is recognized as revenue to provide an accurate picture of the financial performance, notably in the real estate segment, where these proceeds are recognized;

◆ Revenue from the subsidiary companies:

◆ **ADP Ingénierie:** revenues of this subsidiary are realized in connection with its airport design missions, consultancy services, assistance to the project owner and prime contractor. These services are mainly carried out internationally over periods covering several months and/or years. Revenues from these long-term contracts are accounted by using the percentage-of-completion method,

◆ **Aéroports de Paris Management's** revenues are mainly related to its international airport management activity and directors' fees related to investments in airport companies,

◆ **Hub One** offers telecom operator services, as well as traceability and mobility solutions of goods with its subsidiary Hub One Mobility,

◆ **Hub Safe** provides services in airport security. Its main non group customer is the airport of Nantes Atlantique, through its subsidiary Hub Safe Nantes,

◆ **Média Aéroports de Paris** offers advertisers an advertising exhibition at Paris airports via digital, connected and interactive solutions.

The breakdown of the group's revenue is as follows:

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015<sup>1</sup></b>
Airport fees	1,003	998
◇ Landing fees	233	211
◇ Parking fees	151	136
◇ Passengers fees	619	651
Ancillary fees	226	216
Revenue from airport safety and security services	480	486
Retail activities	451	453
Car parks and access roads	174	176
Industrial services revenue	40	44
Rental income	325	323
Other revenue	248	239
<b>TOTAL</b>	<b>2,947</b>	<b>2,935</b>

<sup>1</sup> Restated figures as described in Note 4.1.

Consolidated revenue of the group is up by 0.4%, at €2,947 million, mainly due to:

- ◇ An increase in airport fees (+0.3%, to €1003 million), driven by passenger traffic dynamics (+1.8% at the Paris airports) and the increase in tariffs on 1 April 2015 (+2.4%), partially offset by lower revenues from passenger fees (-4.9% to €619 million);
- ◇ higher revenues from specialised airport fees of the aviation sector (+5.8% to €220 million), mainly due to growth in the proceeds from the baggage fee (+23.2% to €43 million) and the de-icing charge (+19.6% to €19 million);

- ◇ the increasing activities of the bars and restaurants (+24.6% to €39 million) and the boutiques in public areas, with a growth of 21.4% (to €18 million).

However, these items are offset by:

- ◇ the decrease in revenues related to airport security and safety (-1.4% to €480 million);
- ◇ the decrease in the revenues from airside shop fees (-4.0% to €299 million), impacted by the slowdown in international traffic and an unfavourable exchange rate effect.

#### 4.4 Other ordinary operating income

Other ordinary operating incomes mainly include indemnities, operating subsidies and the share of investment grants transferred to the result at the same pace as depreciation of subsidised assets.

The breakdown of other ordinary operating income is as follows:

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015</b>
Investment grants recognized in the income statement	2	5
Other income	27	13
<b>TOTAL</b>	<b>29</b>	<b>18</b>

Other income is mainly related to amounts recognized under an indemnity agreement signed in 2015 with the "Société du Grand Paris" in the context of the construction of a metro station in Paris-Orly and also compensation due to various old disputes.

#### 4.5 Trade receivables and related accounts

Trade receivables and related accounts break down in the following manner:

<i>(in millions of euros)</i>	<b>As at 31 Dec. 2016</b>	<b>As at 31 Dec. 2015<sup>1</sup></b>
Trade receivables	564	534
Doubtful receivables	41	58
Accumulated impairment	(57)	(76)
<b>NET AMOUNT</b>	<b>548</b>	<b>516</b>

<sup>1</sup> Restated figures as described in Note 4.1.



The group's exposure to credit risk and to exchange rate risk, together with losses in value relating to customer accounts receivable and other debtors, are detailed in paragraph 9.5.3.

Receivables being unusually overdue are individually analysed and can lead to depreciation according to the risk assessed and to the financial

status of the customer. On the basis of historical default rates, the group estimates that no additional depreciation or loss in value needs to be posted for receivables due or non-depreciated.

Impairment evolved as follows:

<i>(in millions of euros)</i>	As at 31 Dec. 2016	As at 31 Dec. 2015
<b>Accumulated impairment at beginning of period</b>	<b>76</b>	<b>68</b>
Increases	7	18
Decreases	(26)	(9)
Translation adjustments	-	(1)
<b>Accumulated impairment at closing of period</b>	<b>57</b>	<b>76</b>

## 4.6 Current operating expenses

Current operating expenses are reported according to their nature and comprise raw material and consumables used, external services and charges, taxes other than income taxes and other operating charges. As regards taxes, the group considers that the company value-added contribution (*Cotisation sur la Valeur Ajoutée des Entreprises* - CVAE) cannot be analyzed as an income tax.

### 4.6.1 Raw materials and consumables used

Raw materials and consumables used are detailed as follows:

<i>(in millions of euros)</i>	2016	2015 <sup>1</sup>
Cost of goods	(31)	(29)
Electricity	(25)	(24)
Studies, research and remuneration of intermediaries	(16)	(15)
Gas and other fuels	(8)	(10)
Industrial supplies non-stored	-	(11)
Operational supplies	(12)	(1)
Other purchases	(21)	(20)
<b>TOTAL</b>	<b>(113)</b>	<b>(110)</b>

<sup>1</sup> Restated figures as described in Note 4.1.

### 4.6.2 Other current operating expenses

#### SUMMARY STATEMENT

<i>(in millions of euros)</i>	2016	2015 <sup>1</sup>
External services	(707)	(672)
Taxes other than income taxes	(262)	(238)
Other operating expenses	(27)	(16)
<b>TOTAL</b>	<b>(996)</b>	<b>(926)</b>

<sup>1</sup> Restated figures as described in Note 4.1.

## BREAKDOWN OF OTHER EXTERNAL SERVICES AND CHARGES

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015<sup>1</sup></b>
Sub-contracting	(408)	(405)
◇ Security	(154)	(152)
◇ Cleaning	(73)	(72)
◇ Persons with restricted mobility	(54)	(55)
◇ Transport	(29)	(31)
◇ Recycling trolleys	(13)	(13)
◇ Caretaking	(11)	(8)
◇ Other	(74)	(74)
Maintenance and repairs	(135)	(129)
Studies, research and remunerations of intermediaries	(49)	(41)
External personnel	(12)	(12)
Insurance	(15)	(13)
Travel and entertainment	(12)	(12)
Advertising, publications, public relations	(31)	(19)
Rental and leasing expenses	(13)	(10)
Other external expenses & services	(32)	(31)
<b>TOTAL</b>	<b>(707)</b>	<b>(672)</b>

<sup>1</sup> Restated figures as described in Note 4.1.

## BREAKDOWN OF TAXES OTHER THAN INCOME TAXES

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015<sup>1</sup></b>
Territorial financial contribution	(66)	(57)
Property tax	(92)	(83)
Other taxes other than income taxes	(52)	(50)
Non refundable taxes on safety expenditure	(52)	(48)
<b>TOTAL</b>	<b>(262)</b>	<b>(238)</b>

<sup>1</sup> Restated figures as described in Note 4.1.

## BREAKDOWN OF OTHER OPERATING CHARGES

Other operating expenses include in particular the amount of fees for concessions, patents, licenses, rights and similar items, losses on bad debts and subsidies granted.

## 4.7 Trade payables and related accounts

Trade payables and related accounts are detailed below:

<i>(in millions of euros)</i>	<b>As at 31 Dec. 2016</b>	<b>As at 31 Dec. 2015<sup>1</sup></b>
Operating payables	206	228
Assets payables	266	229
<b>TOTAL</b>	<b>472</b>	<b>457</b>

<sup>1</sup> Restated figures as described in Note 4.1.

The exposure of the group's trade payables and related accounts to exchange rate and liquidity risks is set out in paragraph 9.5.3.



## 4.8 Other receivables and prepaid expenses

The details of other receivables and prepaid expenses are as follows:

<i>(in millions of euros)</i>	As at 31 Dec. 2016	As at 31 Dec. 2015 <sup>1</sup>
Advances and deposit paid on orders	17	17
Tax receivables	72	55
Receivables related to employees and social charges	2	5
Prepaid expenses	13	12
Other receivables	11	23
<b>TOTAL</b>	<b>116</b>	<b>112</b>

<sup>1</sup> Restated figures as described in Note 4.1.

## 4.9 Other payables and deferred income

Other payables and deferred income are broken down as follows:

<i>(in millions of euros)</i>	As at 31 Dec. 2016	As at 31 Dec. 2015 <sup>1</sup>
Advances and deposits received on orders	4	3
Employee-related liabilities	241	239
Tax liabilities (excl. current income tax)	47	50
Credit notes	19	18
Other debts	36	52
Deferred income	109	102
<b>TOTAL</b>	<b>456</b>	<b>464</b>

<sup>1</sup> Restated figures as described in Note 4.1.

Deferred income consists mainly in:

- ♦ fixed rent revenue, i.e. €78 million as of 31 December 2016 (€67 million as of 31 December 2015);

- ♦ car park: subscription and reservation, i.e. €12 million as of 31 December 2016 (€9 million as of 31 December 2015);
- ♦ the rent to Air France of terminal T2G, i.e. €3 million as of 31 December 2016 (€3 million as of 31 December 2015);

## 4.10 Investment in associates and joint ventures from operating activities

In accordance with the principle explained in paragraph 3.1 and in the glossary, the share of profit or loss in joint ventures is presented in a separate line in the operating profit or loss.

In practice, participations with these characteristics are TAV Airports, Schiphol Group, Nuevo Pudahuel, Société de Distribution Aéroportuaire, RELAY@ADP, EPIGO and real estate companies.

- ♦ **TAV Airports** is a leading airport operator in Turkey. It operates 14 airports and directly manages 13 airports throughout the world: Istanbul Atatürk, Ankara Esenboga, Izmir Adnan Menderes, Antalya Gazipasa and Milas-Bodrum's in Turkey, Tbilisi and Batumi in Georgia, Monastir and Enfidha in Tunisia, Skopje and Ohrid in Macedonia, Medina in Saudi Arabia and Zagreb airport alongside Aéroports de Paris Management. TAV Airports also operates the shops at Riga airport in Latvia. TAV Airports is also an operator in other airport service areas, like duty-free, catering, ground-handling, IT, security and operating services. The group includes:
  - ♦ ten main subsidiaries in airport management activities: TAV Istanbul, TAV Ankara, TAV Izmir, TAV Gazipasa, TAV Bodrum and TAV Macedonia, which are 100%-owned; TAV Georgia, which is 80%-owned; TAV Medinah, which is 33%-owned; TAV Tunisia, which is 67% owned; and MZLZ in Croatia, in which the group holds an indirect 15% stake;

- ♦ three main service subsidiaries: ATU, which specialises in duty free and is 50%-owned; BTA, which specialises in catering and is 67%-owned; Havas, a ground-handling company, which is 100%-owned;
- ♦ three wholly-owned specialised service companies: TAV O&M, which manages airport lounges, TAV IT, which manages airport IT systems, and TAV Security, which provides security services.
- ♦ Aéroports de Paris SA and NV Luchthaven Schiphol (**Schiphol Group**), which is the operator for Amsterdam Airport Schiphol, created a long-term industrial cooperation and capital 8% cross-equity investment agreement at the end of 2008 that has created a leading alliance in the global airport industry. This industrial cooperation agreement between two of Europe's leading airport groups for an initial duration of 12 years represents a bold strategic move that has generated significant mutual benefits for both companies in all their core areas of business.

The summarised financial information of these two companies is presented in paragraph 4.10.5.

For commercial joint ventures, Société de Distribution Aéroportuaire, RELAY@ADP and EPIGO, the relationship between those companies and Aéroports de Paris SA is described in note 14.

#### 4.10.1 Profit and loss of associates and joint ventures

The amounts appearing within the income statement are broken down by entity as follows:

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015<sup>1</sup></b>
<b>International and airport developments</b>	<b>(51)</b>	<b>63</b>
◇ Schiphol Group (Netherlands)	12	19
◇ TAV Airports (Turkey)	(1)	36
◇ TAV Construction (Turkey) <sup>2</sup>	(67)	6
◇ Nuevo Pudahuel (Chile)	4	1
◇ ZAIC-A Limited (United Kingdom)	1	-
◇ Other	-	1
<b>Retail and services</b>	<b>1</b>	<b>8</b>
◇ Société de Distribution Aéroportuaire	3	6
◇ RELAY@ADP	2	2
◇ EPIGO	(4)	-
<b>Real estate</b>	<b>(2)</b>	<b>(13)</b>
<b>Share of profit or loss in associates and joint ventures from operating activities</b>	<b>(52)</b>	<b>58</b>
<b>Of which adjustments related to acquisition<sup>3</sup></b>		
Schiphol Group	(6)	(4)
TAV Airports	(49)	(43)
<b>TOTAL</b>	<b>(55)</b>	<b>(47)</b>

<sup>1</sup> Restated figures as described in Note 4.1.

<sup>2</sup> TAV Construction's share of income includes the share of income for the period, representing a loss of €22 million and the impairment of investments for €45 million (see note 2).

<sup>3</sup> These adjustments relate mainly to the depreciation of intangible assets (concession agreements, customer relationship).

#### 4.10.2 Impairment tests on investments in associates and joint ventures

Investments in associates are tested for impairment when the group identifies one or more indices of impairment likely to have an impact on the future estimated cash flows from these associates. An impairment loss is recognized if the recoverable value of the investment falls below its carrying value.

At 31 December 2016, there is no indication of an impairment loss that could have a material impact on the estimated future cash flows of the group's interest in associates, except for the equity interest held in TAV Airports.

The valuation of the shares of TAV Airports held by Aéroports de Paris SA on the basis of the share price and the euro/lira parity as at 31 December 2016 amounts to €524 million and is lower than equity value of €597 million. The year 2016 was nevertheless marked in Turkey by a series of attacks and a coup attempt that affected the activity and the share price. The recoverable amount of the shares of TAV Airports held by Aéroports de Paris SA, which is driven by the management forecasts of

TAV Airports, nevertheless remains slightly higher than the equity value of €597 million. In addition, the sensitivity analyses carried out in particular on traffic forecasts confirm the value of TAV Airports' shares, even in degraded scenarios. Thus, sensitivity analyses conducted show that a reduction in traffic of around 16% in 2017 (compared to 2016), followed by a growth dynamics of traffic in line with the current forecasts for the Istanbul Atatürk airport would be necessary in order for the recoverable amount of the shares of TAV Airports to fall below their equity value. In addition, to the best of our knowledge, the proposed construction of the third airport in Istanbul is not expected to have a significant impact on the future revenues of the entity related to the Istanbul Atatürk airport concession, TAV Airports and TAV Istanbul (100% owned by TAV Airports) have been officially notified by the Turkish Civil Aviation Authority (Devlet Hava Meydanları İşletmesi or DHMI) that TAV Istanbul will be compensated for the loss of profit that it may incur between the date of opening of the new airport and the date of termination of the current lease. The practical arrangements for determining this allowance will be negotiated with the DHMI, which is expected in 2017.



### 4.10.3 Breakdown of balance sheet amounts

The amounts relating to holdings entered in line with the equity method can be analysed as follows:

<i>(in millions of euros)</i>	<b>As at 31 Dec. 2016</b>	<b>As at 31 Dec. 2015<sup>1</sup></b>
<b>International and airport developments</b>	<b>1,071</b>	<b>1,186</b>
◊ Schiphol Group (Netherlands)	412	414
◊ TAV Airports (Turkey)	597	662
◊ TAV Construction (Turkey) <sup>2</sup>	-	75
◊ Nuevo Pudahel (Chile)	50	27
◊ Medunarodna Zračna Luka Zagreb (Croatia)	10	7
◊ Other	2	1
<b>Retail and services</b>	<b>10</b>	<b>20</b>
◊ Société de Distribution Aéroportuaire	4	11
◊ RELAY@ADP	3	3
◊ EPIGO	2	6
<b>Real estate</b>	<b>9</b>	<b>8</b>
<b>TOTAL ACTIVITIES FROM OPERATING ASSOCIATES</b>	<b>1,090</b>	<b>1,214</b>
<b>TOTAL ACTIVITIES FROM NON-OPERATING ASSOCIATES</b>	<b>11</b>	<b>15</b>
<b>TOTAL INVESTMENT IN ASSOCIATES</b>	<b>1,101</b>	<b>1,229</b>

<sup>1</sup> Restated figures as described in Note 4.1.

<sup>2</sup> Reclassified as an asset held for sale as at 31 December 2016 (see note 2).

The goodwill accounted and included within the share consolidated using the equity method, as above amounts to:

- ◊ €120 million for Schiphol;
- ◊ €56 million for TAV Airports.

#### 4.10.4 Changes in share of net assets

Changes in the group's share of the net asset value of associates and joint ventures at the beginning and ending of the periods are as follows:

<i>(in millions of euros)</i>	Net amount as at 1 Jan. 2016 <sup>1</sup>	Share of net profit (loss) for the period	Change in consolidation scope	Subscription of share capital	Change in translation adjustment reserves	Change in other reserves and reclassifications	Dividends paid	Net amount as at 31 Dec. 2016
<b>International and airport developments</b>	<b>1,186</b>	<b>(51)</b>	<b>-</b>	<b>19</b>	<b>1</b>	<b>(28)</b>	<b>(56)</b>	<b>1,071</b>
◊ Schiphol Group (Netherlands)	414	12	-	-	-	1	(15)	412
◊ TAV Airports (Turkey)	662	(1)	-	-	(5)	(18)	(41)	597
◊ TAV Construction (Turkey) <sup>2</sup>	75	(66)	-	-	2	(11)	-	-
◊ Nuevo Pudahel (Chile)	27	4	-	15	4	-	-	50
◊ Medunarodna Zračna Luka Zagreb (Croatia)	7	-	-	3	-	-	-	10
◊ Other	1	-	-	1	-	-	-	2
<b>Retail and services</b>	<b>20</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11)</b>	<b>10</b>
◊ Société de Distribution Aéroportuaire	10	3	-	-	-	-	(9)	4
◊ RELAY@ADP	4	2	-	-	-	-	(2)	4
◊ EPIGO	6	(4)	-	-	-	-	-	2
◊ Other	-	-	-	-	-	-	-	-
<b>Real estate</b>	<b>8</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>9</b>
<b>TOTAL ACTIVITIES FROM OPERATING ASSOCIATES</b>	<b>1,214</b>	<b>(52)</b>	<b>-</b>	<b>19</b>	<b>1</b>	<b>(25)</b>	<b>(67)</b>	<b>1,090</b>
<b>TOTAL ACTIVITIES FROM NON-OPERATING ASSOCIATES</b>	<b>15</b>	<b>58</b>	<b>(60)</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>(3)</b>	<b>11</b>
<b>TOTAL INVESTMENT IN ASSOCIATES</b>	<b>1,229</b>	<b>6</b>	<b>(60)</b>	<b>19</b>	<b>1</b>	<b>(24)</b>	<b>(70)</b>	<b>1,101</b>

<sup>1</sup> Restated figures as described in Note 4.1.

<sup>2</sup> Reclassified as an asset held for sale as at 31 December 2016 (see note 2).

The accounting aggregates of TAV Airports and Schiphol have been drawn up in compliance with the International Financial Reporting Standards (IFRS) adopted by the European Union.



#### 4.10.5 Summary Financial Information

The aggregate amounts for assets, liabilities, revenue and net income of associates, as they appear within the provisional financial statements for these entities for 2016 and the final statements for 2015, are as follows:

	TAV Airports		Schiphol Group	
<i>(in millions of euros)</i>	As at 31 Dec. 2016	As at 31 Dec. 2015	As at 31 Dec. 2016	As at 31 Dec. 2015
Property, plant and equipment	1,938	1,953	4,605	4,470
Investments in associates	94	106	890	858
Other non-current financial assets	232	270	158	125
Deferred tax assets	37	58	166	193
<b>Non-current assets</b>	<b>2,301</b>	<b>2,387</b>	<b>5,819</b>	<b>5,646</b>
Inventories	9	11	-	-
Trade receivables	158	131	226	226
Other receivables and prepaid expenses	153	147	7	4
Cash and cash equivalents	480	630	239	394
<b>Current assets</b>	<b>800</b>	<b>919</b>	<b>472</b>	<b>624</b>
Assets held for sales	-	-	144	135
<b>TOTAL ASSETS</b>	<b>3,101</b>	<b>3,306</b>	<b>6,435</b>	<b>6,405</b>

	TAV Airports		Schiphol Group	
<i>(in millions of euros)</i>	As at 31 Dec. 2016	As at 31 Dec. 2015	As at 31 Dec. 2016	As at 31 Dec. 2015
<b>Shareholders' equity - Group share</b>	<b>808</b>	<b>808</b>	<b>3,813</b>	<b>3,684</b>
Non-controlling interests	(1)	5	36	32
<b>SHAREHOLDERS' EQUITY</b>	<b>807</b>	<b>813</b>	<b>3,849</b>	<b>3,716</b>
Non-current debt	723	918	2,091	1,926
Other non-current liabilities	671	675	145	151
<b>Non-current liabilities</b>	<b>1,394</b>	<b>1,593</b>	<b>2,236</b>	<b>2,077</b>
Trade payables	334	288	333	316
Current debt	566	612	17	296
<b>Current liabilities</b>	<b>900</b>	<b>900</b>	<b>350</b>	<b>612</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,101</b>	<b>3,306</b>	<b>6,435</b>	<b>6,405</b>

	TAV Airports		Schiphol Group	
<i>(in millions of euros)</i>	2016	2015	2016	2015
<b>Revenue</b>	<b>1,072</b>	<b>1,060</b>	<b>1,436</b>	<b>1,423</b>
Share of profit or loss in associates and joint ventures from operating activities	17	21	-	-
<b>Operating income</b>	<b>319</b>	<b>384</b>	<b>413</b>	<b>505</b>
Financial income	15	15	7	8
Financial expenses	(124)	(118)	(98)	(97)
<b>Financial income</b>	<b>(109)</b>	<b>(103)</b>	<b>(91)</b>	<b>(89)</b>
Share of profit or loss in associates and joint ventures from non-operating activities	-	-	65	60
<b>Income before tax</b>	<b>210</b>	<b>281</b>	<b>388</b>	<b>477</b>
Income tax expense	(90)	(80)	(84)	(99)
<b>Net income</b>	<b>120</b>	<b>201</b>	<b>304</b>	<b>378</b>
<b>Net income attributable to the group</b>	<b>127</b>	<b>210</b>	<b>299</b>	<b>374</b>
Net income attributable to non-controlling interests	(7)	(9)	5	4
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>110</b>	<b>214</b>	<b>322</b>	<b>402</b>

## NOTE 5 COST OF EMPLOYEE BENEFITS

Groupe ADP offers benefits to employees such as end-of-career indemnities and health coverage to some of its retiring employees. The main benefit plans are described below. These benefits are classified and accounted for in accordance with IAS 19 applicable since 1 January 2013 "Employee benefits".

### Post-employment benefits – Defined contributions plans

Defined contributions plans are post-employment benefit plans under which the group's commitment is limited solely to the payment of contributions. The contributions paid are expensed in the period in which they occur.

### Post-employment benefits – Defined benefit plans

Defined benefit plans entail an obligation for the group to pay an amount or a level of defined benefits. This obligation is recognized as a provision based on an actuarial estimate.

The measurement method used is the projected unit credit method. It consists in estimating the amount of future benefits acquired by employees in exchange for services rendered in the current and prior periods.

Estimates are performed at least once a year by an independent actuary. They rely on assumptions such as life expectancy, staff turnover, and wages forecasts. The discount rate used at year-end is based on first-class bonds of which the maturity date is close to that of the group's commitments. When these plans are funded by external funding and meet the definition of plan assets, the provision is reduced by the fair value of plan assets.

This provision is broken down into:

- ◆ service costs: they are recognized in the operating income together with other staff expenses;
- ◆ net interest on the net defined liability (including interests from the plan's assets), which include the accretion expense of the liability and the implicit revenue of return on assets;

- ◆ re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, and the difference between the return on plan assets and interest income on plan assets (included in net interests). They are recognized immediately and fully in other comprehensive income (OCI).

In case of a plan amendment, a curtailment or a liquidation, past service costs are recognized immediately in income.

### Other long term employee benefits

Other long term employee benefits include items such as aeronautics industry long-service awards payable to employees of Aéroports de Paris SA, and the corresponding distinguished service bonuses. These are benefits of which the settlement date is expected to exceed 12 months after the end of the reporting period in which the employees render the related services. Measurement and accounting methods are similar to those used for defined benefit plans except for re-measurements that are recognized immediately in income, and not OCI (equity).

### Termination benefits

Termination benefits payable as a result of voluntary redundancy plan are recognized as a liability and expense at the earlier of the following dates:

- ◆ date on which the group can no longer withdraw the offer of those benefits; or
- ◆ date on which the group recognizes costs for restructuring that involves the payment of termination benefits.

Concerning the non-recurring elements, the expense is recognized as other operating income and expenses in the income statement. Actuarial hypotheses are presented in paragraph 5.2.3.

## 5.1 Staff expenses and number of employees

Staff expenses can be analysed as follows:

<i>(in millions of euros)</i>	2016	2015 <sup>1</sup>
Salaries and wages	(486)	(477)
Social security expenses	(234)	(240)
Salary cost capitalised	66	53
Employees' profit sharing and incentive plans	(37)	(39)
Net allowances to provisions for employee benefit obligations	(7)	(9)
<b>TOTAL</b>	<b>(698)</b>	<b>(712)</b>

<sup>1</sup> Restated figures as described in Note 4.1.

Capitalised production which amounts to €66 million, represents mainly internal cost related to employees who are involved in construction projects of the company assets including studies, overseeing of construction activities and assistance to the contracting authority.

The Competitiveness Employment Tax Credit ("CICE") amounts to €7 million as at 31 December 2015. It is recognized as a reduction of staff expenses in "Salaries and wages".



The average number of employees can be broken down as follows:

	2016	2015 <sup>1</sup>
<b>Average number of employees</b>	<b>8,947</b>	<b>9,008</b>
Aéroports de Paris SA	6,478	6,553
Hub Safe Group <sup>2</sup>	1,498	1,494
Hub One Group	448	447
ADP Ingénierie Group	412	411
Média Aéroports de Paris	60	63
Aéroports de Paris Management Group	51	40

<sup>1</sup> Restated figures as described in Note 4.1.

<sup>2</sup> Employees adjusted in 2015 to take account of the average number of employees of the subsidiary Hub Safe Nantes. The end-of-period staff of the subgroup in 2015 was 1,545.

## 5.2 Post-employment employee benefits and other long term obligations

### 5.2.1 Description of the various benefits

#### A. END-OF-CAREER INDEMNITIES

The group offers end-of-career indemnities to employees entitled to assert their right to retire. Benefit paid is in the form of a capital in months of salary based on seniority within the group performed at the date of retirement. Employer contributions are due on this amount.

The main non-financial risks (discount rate/salary escalation rate) and non-demographic risks (turnover rate) to this plan are the risks of increase in employer contributions applicable to the group, renegotiation of rights defined by the company's agreement and changes in the amount of the minimum legal retirement indemnity.

#### B. HEALTH COVERAGE

Aéroports de Paris SA contributes to financing the contribution of two mutual insurance agreements covering two closed populations of retired employees.

The main risks identified are the risk of:

- ◆ increase in employers' contributions applicable to the financial participation of Aéroports de Paris SA;
- ◆ increase in medical costs incurred by the mutual, as they have an impact on the financial participation of Aéroports de Paris SA.

#### C. DEFINED BENEFIT PLAN

Aéroports de Paris SA provides additional retirement pensions and has insurance contracts to support the management of annuity payments.

In this context, Aéroports de Paris SA has opted for the Fillon tax on the premiums paid into the collective fund of the insurer (24%) for

the defined benefit plan, and the tax on annuities paid by the insurer (32% for liquidations occurred from 1 January 2013) for the other schemes. Therefore, the main risk is a legal upward revision of the Fillon tax, which would automatically increase the group's commitment.

There are two defined benefit plans:

- ◆ A defined benefit plan – This plan is of additional type and relates to all employees;
- ◆ A supplementary pension scheme – This pension scheme is:
  - ◆ of additional type for fire-fighters. The temporary pension is paid simultaneously with PARDA annuity.
  - ◆ a life annuity and of differential type for a majority of the beneficiaries of the PARDA scheme.

#### D. OTHER BENEFITS

Aéroports de Paris SA provides other benefits to its employees generating a social commitment:

- ◆ An early retirement scheme PARDA ("Protocole d'Accord de Régime de Départ Anticipée"): this early retirement scheme consists of paying income replacement benefits during a temporary period before retirement of fire-fighters as well as the corresponding social contributions and the Fillon tax of 50%;
- ◆ A long service award for its employees.

## 5.2.2 Breakdown of obligations under the various benefits

Breakdown of obligations, changes in assets and liabilities and reconciliation in the balance sheet, and in the income statement:

(in millions of euros)	Post-employment benefits				Other long-term benefits	Total as at 31/12/2016	Total as at 31/12/2015 <sup>1</sup>
	Retirement Plan	Health cover	Additional retirement benefits	PARDA	Long-service medals		
Present value of obligation at opening	292	74	67	10	1	444	474
Change in scope of consolidation	-	-	-	-	-	-	1
Service costs for the period	16	-	3	2	-	21	22
Interest costs	6	1	2	-	-	9	9
Actuarial gain/(loss) in the period <sup>2</sup>	16	(5)	2	(1)	-	12	(24)
Benefits paid	(8)	(3)	(4)	(1)	-	(16)	(13)
Reduction/curtailment	-	-	-	-	-	-	(25)
<b>Present value of obligation at closing</b>	<b>322</b>	<b>67</b>	<b>70</b>	<b>10</b>	<b>1</b>	<b>470</b>	<b>444</b>
Fair value of plan assets at beginning of period	-	-	(2)	-	-	(2)	(2)
Contributions paid	-	-	(3)	-	-	(3)	(4)
Benefits paid	-	-	4	-	-	4	4
<b>Fair value of plan assets</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(2)</b>
Commitments unfunded at end of period	322	67	69	10	1	469	442
<b>Liabilities recognized in the balance sheet at end of period</b>	<b>322</b>	<b>67</b>	<b>69</b>	<b>10</b>	<b>1</b>	<b>469</b>	<b>442</b>
Interest costs	6	1	2	-	-	9	9
Service cost for the period	16	-	3	2	-	21	22
Reduction/curtailment	-	-	-	-	-	-	(25)
<b>Expense for the period</b>	<b>22</b>	<b>1</b>	<b>5</b>	<b>2</b>	<b>-</b>	<b>30</b>	<b>6</b>
Liabilities recognized in the balance sheet at beginning of period	292	74	65	10	1	442	472
Expense for the period	22	1	5	2	-	30	6
Impact of other comprehensive income	16	(5)	2	(1)	-	12	(24)
Change in scope of consolidation	-	-	-	-	-	-	1
Benefits and contributions paid directly	(8)	(3)	(3)	(1)	-	(15)	(13)
<b>Liabilities recognized in the balance sheet at end of period</b>	<b>322</b>	<b>67</b>	<b>69</b>	<b>10</b>	<b>1</b>	<b>469</b>	<b>442</b>

<sup>1</sup> Restated figures as described in Note 4.1.

<sup>2</sup> The total actuarial losses incurred on the obligation of €12 million are due to losses resulting from the change in financial assumptions (+€33 million), mainly as a result of the reduction in the discount rate, offset by (-€11 million) and gains due to changes in demographic assumptions (-€10 million).



The flows explaining the changes in provision are as follows:

<i>(in millions of euros)</i>	Present value of employee benefit obligation	Fair value of plan assets	Net actuarial liability
<b>As at 31 December 2015<sup>1</sup></b>	<b>444</b>	<b>(2)</b>	<b>442</b>
Service costs for the period	21	-	21
Interest costs	9	-	9
Actuarial gain/(loss) in the period	12	-	12
Cash flows:			
◇ <i>Payments to beneficiaries</i>	(16)	-	(16)
◇ <i>Contributions paid</i>	-	(3)	(3)
◇ <i>Payments received from third parties</i>	-	4	4
<b>AS AT 31 DECEMBER 2016</b>	<b>470</b>	<b>(1)</b>	<b>469</b>

<sup>1</sup> Restated figures as described in Note 4.1.

### 5.2.3 Assumptions and sensitivity analysis

The main assumptions used are as follows:

	As at 31 Dec. 2016
Discount rate/Expected rate of return on plan assets	1.50%
Inflation rate	1.75%
Salary escalation rate (inflation included)	1.75% - 3.55%
Future increase in health care expenses	4.75%
Average retirement age	62 - 65 years

The rate used for discounting the commitment is representative of the rate of return for first-class bonds in euros with duration comparable to those of the commitments involved (weighted average duration of 12.0 years).

Mortality assumptions used are those defined by:

- ◇ mortality tables of men/women TH-TF 2012-2014 on the service period of beneficiaries; and
- ◇ generational tables of men/women TGH-TGF 00-05 on the annuity phase.

The table below shows the sensitivity of the commitment to the principal actuarial assumptions:

<i>(in millions of euros)</i>	Low assumption	Impact on present value of obligation at 31/12/16	High assumption	Impact on present value of obligation at 31/12/16
Drift in medical costs	-1.00%	(4)	1.00%	5
Discount rate/Expected rate of return on plan assets	-0.50%	33	0.50%	(30)
Mortality rate	-1 year	7	+1 year	(7)
Salary escalation rate (inflation included)	-0.50%	(19)	0.50%	21

## 5.3 Provisions for employee benefit commitments on the balance sheet

Provisions for employee benefit obligations have evolved as follows on the liabilities of the balance sheet:

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015<sup>1</sup></b>
<b>Provisions as at 1 January 2016</b>	<b>442</b>	<b>472</b>
<b>Increases</b>	<b>42</b>	<b>32</b>
◊ Operating allowances	21	23
◊ Financial allowances	9	9
◊ Recognition of actuarial net gains	12	-
<b>Decreases</b>	<b>(15)</b>	<b>(62)</b>
◊ Provisions used	(15)	(13)
◊ Recognition of actuarial net gains	-	(24)
◊ Reduction/curtailment	-	(25)
<b>Provisions at 31 December 2016</b>	<b>469</b>	<b>442</b>
◊ Non-current portion	452	427
◊ Current portion	17	15

<sup>1</sup> Restated figures as described in Note 4.1.

### 5.3.1 Better estimate of the contributions to be paid

The amount for contributions that the group believes it will need to pay into the assets side of the defined benefits schemes in 2016 is not of a significant nature.

## NOTE 6 INTANGIBLE ASSETS, TANGIBLE ASSETS AND INVESTMENT PROPERTY

### 6.1 Intangible assets and property, plant and equipment

Intangible assets include:

- ◊ goodwill generated by business combinations in accordance with the principles outlined in note 3;
- ◊ patents and licenses;
- ◊ computer software;
- ◊ usage rights.

Goodwill is not amortizable. In compliance with IAS 36, Impairment of assets, goodwill is subject to an annual impairment test or more

frequently if there is objective evidence that an impairment loss has been incurred. An impairment loss is recognized if the recoverable value falls below its carrying value. Impairment losses are irreversible.

The identifiable intangible assets acquired in a business combination are measured at fair value. Intangible assets acquired or produced outside of a business combination are measured initially at their historic cost in accordance in accordance with IAS 38, Intangible assets.

Software	4 to 10 years
Patent and licenses	4 to 10 years
User right	15 years

Intangible assets are depreciated using the straight-line method according to their estimated useful life.

Amortizable intangible assets are only tested for impairment if there is evidence that an impairment loss has been incurred. The residual value and useful life of an asset are reviewed at least at each financial year end and adjusted, if appropriate.



Intangible assets are detailed as follows:

<i>(in millions of euros)</i>	Goodwill	Software	Other	Fixed assets in progress, related advances & prepayments	Total
Gross value	25	232	5	31	293
Accumulated amortisation & depreciation	(7)	(181)	(1)	-	(189)
<b>Carrying amount as at 1 January 2016</b>	<b>18</b>	<b>51</b>	<b>4</b>	<b>31</b>	<b>104</b>
Purchases	-	2	-	24	26
Depreciation and Amortisation	-	(18)	(2)	-	(20)
Transfers to and from other headings	-	32	-	(32)	-
<b>Carrying amount as at 31 December 2016</b>	<b>18</b>	<b>67</b>	<b>2</b>	<b>23</b>	<b>110</b>
Gross value	25	264	4	23	316
Accumulated amortisation & depreciation	(7)	(197)	(2)	-	(206)

As of 31 December 2016, the goodwill relates mainly to:

- ◆ Roissy Continental Square for €7 million;
- ◆ Hub One Mobility for €12 million.

The net amount for transfers to and from other headings relates in particular to the reclassification of fixed assets under construction as tangible and intangible assets.

## 6.2 Tangible assets

The identifiable tangible assets acquired in a business combination are measured at fair value from the date of the business combination. Tangible assets acquired or produced outside of a business combination are recognized at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an asset produced by the group itself includes exclusively direct labor costs.

Subsequent costs are included in the asset's carrying amount when it is probable that these costs generate future economic benefits and can be reliably measured. Current maintenance costs are recorded when they are incurred.

From 1 January 2009, borrowing costs are capitalised for eligible assets.

The group as a lessee holds financial leases related to real property. Finance lease agreements, which transfer to the group virtually all risks and rewards attached to ownership of the leased asset, are recognized in the balance sheet at the beginning of the lease period at the fair value of the leased asset or, if less, at the discounted value of minimum lease payments. Lease payments are broken down between financial expenses and the reduction of the outstanding liability to obtain a constant periodic interest rate on the outstanding balance.

Depreciable tangible assets, which have been purchased outright or under finance lease agreements, are depreciated using the straight-line method according to their estimated useful life:

Airport terminal and underground car park buildings	30 to 60 years
Non-terminal buildings	20 to 50 years
Airport terminals and non-terminal furnishings	10 to 20 years
Land development	20 years
Turning areas, aprons, bridges, tunnels, roads	10 to 50 years
Baggage handling equipment and facilities	10 to 20 years
Airbridges	20 to 25 years
Security and safety facilities and equipment	5 to 20 years
Computer hardware	5 years

The group achieved in 2016 a review of the useful life applicable to airport works in regard of the useful life technically permissible by the structures and with development prospects formalised in the ERA 2016-2020. Therefore, some useful lives have been extended from 50 to 60 years.

The residual value and useful life of an asset are reviewed at least at each financial year end and adjusted, if appropriate. Land is not depreciated except if there is evidence that an impairment loss has incurred.

When it is probable or highly probable that an asset or a group of asset will be recovered principally through a sale transaction rather than through continuing use, the asset or the group of asset is reclassified on a separate line in the balance sheet, Non-current assets held for sale. Non-current assets or disposal groups that are classified as held for sale are measured at the lower carrying amount and fair value less costs to sell and the carrying amount is no longer amortized. A tangible asset

is derecognized when withdrawn or when no future economic benefit is expected from its use or disposal. Any gain or loss resulting from derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement (disclosed in a separate line "Other operating income and expenses").

Property, plant and equipment are detailed as follows:

<i>(in millions of euros)</i>	Land and improvements of land	Buildings	Plant and equipment	Other	Fixed assets in progress, related advances & prepayments	Total
Gross value	66	10,036	250	359	456	11,167
Accumulated amortisation & depreciation	(14)	(4,803)	(172)	(218)	-	(5,207)
<b>Carrying amount as at 1 January 2016<sup>1</sup></b>	<b>52</b>	<b>5,233</b>	<b>78</b>	<b>141</b>	<b>456</b>	<b>5,960</b>
Purchases	-	-	6	-	759	765
Disposals and write-offs	-	31	-	-	-	31
Depreciation and Amortisation	(1)	(432)	(19)	(18)	-	(470)
Transfers to and from other headings	2	423	17	15	(472)	(15)
<b>Carrying amount as at 31 December 2016</b>	<b>53</b>	<b>5,255</b>	<b>82</b>	<b>138</b>	<b>743</b>	<b>6,271</b>
Gross value	69	10,340	268	370	743	11,790
Accumulated amortisation & depreciation	(16)	(5,085)	(186)	(232)	-	(5,519)

<sup>1</sup> Restated figures as described in Note 4.1.

The net amount of transfers to and from other headings mainly concerns the reclassification of fixed assets under construction as tangible and intangible assets. This reclassification focuses in particular on the following implemented items:

- ◇ completion of the construction of the extension of the East pier of the South terminal on Paris-Orly;
- ◇ the renovation of landing runway 2 at Paris-Charles de Gaulle;
- ◇ several evolutions and maintenance in operational condition of information system and business applications;
- ◇ the first phase of the renovation of landing runway 4 in Paris-Orly;

- ◇ preparatory work for the renovation of landing runway 2 and its compliance with the standards of the European Aviation Safety Agency (EASA) on Paris-Orly;

- ◇ transfer of ownership of the pipelines formerly operated by "Société de Manutention de Carburants Aviation" (SMCA), in Paris-Charles de Gaulle;

- ◇ preparatory work for the construction of the junction between the terminals South and West of Paris-Orly.

The borrowing costs capitalised at 31 December 2016 pursuant to IAS 23 revised amounted to €2 million, based on an average capitalization rate of 2.79%.



## 6.3 Investment property

Investment property is the real estate (land, building, real estate or part of one of these elements) held (in full ownership or under a finance lease) for leasing to third parties and/or looking for a capital gain.

In contrast, the buildings occupied by Aéroports de Paris for its own needs (head offices, administrative buildings or operating buildings) are not investment properties but operating properties on the balance sheet under tangible assets.

Vacant buildings not intended to be used by Aéroports de Paris for its own use are wholly considered as investment property.

Mixed-use buildings that meet the definition of investment properties for more than half of their surface area are retained in their entirety.

Investment properties thus appear on a specific line of the balance sheet and, in accordance with the option offered by IAS 40, are valued by the historical cost method, namely at their cost less accumulated depreciation and amortization accumulated impairment losses.

Straight-line depreciation is applied to the property concerned on the basis of 20 to 50 years of life.

The fair value of investment property, the amount of which is disclosed below, is based on a value appraised by independent real estate appraisal firms for 97% of its whole value (excluding land reserves).

All the buildings not used for the own use of Aéroports de Paris have been appraised on the Paris-Orly and Paris-Charles de Gaulle platforms; more than 90% of those of Paris-Le Bourget have also been valued by independent experts.

The leased properties were valorised on the basis of a mixed approach based on external valuations for more than 94% of the land. The values of the other lands are assessed internally by an infinite renting method, considering that the duration of the lease is indefinite and that the cash flow can be discounted in perpetuity.

The valuation of land reserves was assessed internally. It results from the product of their theoretical market value per square meter by the area in square meters available, to which is applied a discount corresponding to the cost of the non-transferability of the land and the cost of carrying. The discount rate applied to cash flows is the cost of capital of comparable companies with diversified real estate activity.

### 6.3.1 Analysis of investment property

Investment property is detailed as follows:

<i>(in millions of euros)</i>	Land, improvements of land and substructure	Buildings	Fixed assets in progress, related advances & prepayments	Total
Gross value	123	743	53	919
Accumulated amortisation & depreciation	(55)	(361)	-	(416)
<b>Carrying amount as at 1 January 2016</b>	<b>68</b>	<b>382</b>	<b>53</b>	<b>503</b>
Purchases and change in advances and prepayments	-	-	6	6
Depreciation and Amortisation	(2)	(22)	-	(24)
Transfers to and from other headings	(2)	(6)	22	14
<b>Carrying amount as at 31 December 2016</b>	<b>64</b>	<b>354</b>	<b>81</b>	<b>499</b>
Gross value	117	725	81	923
Accumulated amortisation & depreciation	(53)	(370)	-	(423)

### 6.3.2 Fair value of investment property

The fair value of investment property, which stood at €2,349 million as at 31 December 2016, compared to €2,238 million at 31 December 2015, represents a growth of around 5%.

The rate of coverage of external appraisals for the valuation of buildings and land leased to third parties amounts to 97% of their value. These appraisals were managed by a group of independent property experts composed of the following firms:

- ◆ CBRE Valuation;
- ◆ Jones Lang LaSalle Expertise;
- ◆ BNP Paribas Real Estate Valuation France;
- ◆ Crédit Foncier Expertises.

The valuation of land reserves was assessed internally. This is also the case for a few ground leases to third parties that had not yet been assessed; these are mainly located at Paris-Le Bourget.

The valuation of buildings not used for Aéroports de Paris' own requirements, including their right of way, amounted to €1,030 million, an increase of €93 million compared to 2015.

This increase is mainly due to lower rates on the most liquid assets, the appraisal of the principal buildings not valued by third parties in Paris-Le Bourget, a building in a freight zone in Paris-Orly and the readjustment of the demolition plan.

Overall, areas with more liquidity (standard products with high occupation rates and long committed terms) increased due to rate cuts. However, areas being restructured, or due to be restructured, are losing value as

a result of upgrades, decreases in rents or the demolition of existing buildings.

The fair value of leased land amounts to €1,176 million, an increase of 2.2%. This increase is mainly due to the further development of the logistics and business activity areas at Paris-Orly, as well as strong hotel development with six projects underway at the Paris-Charles de Gaulle and Paris-Orly airport platforms.

The value of land reserves decreased slightly from €151 million to €146 million, reflecting an increase in the discount rate from 5.56% to 5.93% and a different scope (land consumption for development projects partially offset by the return of land in reserve).

External valuations made appear the main immediate returns on investments properties presented below:

<i>(in millions of euros)</i>	<b>As at 31 Dec. 2016</b>	<b>As at 31 Dec. 2015</b>	<b>Rate of immediate return</b>
<b>Buildings</b>			
Offices Paris-Charles de Gaulle	332	302	6,5% - 9,0%
Cargo Paris-Charles de Gaulle	358	320	8,0% - 10,0%
Hangars Paris-Charles de Gaulle	86	80	9,0% - 13,0%
Hangars/freight Paris-Orly	117	110	10,0% - 20,0%
Activity Paris-Orly and Charles de Gaulle	27	62	7,0% - 12,0%
Paris-Le Bourget	110	63	7,0% - 13,0%
<b>TOTAL OF EXTERNAL RENTED BUILDINGS</b>	<b>1,030</b>	<b>937</b>	
<b>Ground leases</b>			
Offices Paris-Charles de Gaulle	86	80	6,0% - 7,5%
Cargo Paris-Charles de Gaulle	322	320	6,0% - 8,0%
Hangars Paris-Charles de Gaulle	115	120	8,0% - 10,0%
Hotels/shops Paris-Orly and Charles de Gaulle	262	220	4,0% - 6,5%
Hangars/freight Paris-Orly	55	45	13,0% - 16,0%
Logistic/activity Paris-Orly and Charles de Gaulle	225	225	6,0% - 9,0%
Paris-Le Bourget and AAG	111	140	5,0% - 8,0%
<b>TOTAL OF EXTERNAL GROUND LEASES</b>	<b>1,176</b>	<b>1,150</b>	

### 6.3.3 Complementary information

Under the law promulgated on 20 April 2005 which provides that in the event of a partial or total closure of one of the aerodromes operated by Groupe ADP, a percentage of at least 70% of the difference existing between, firstly, the market value at that date of the buildings situated within the enclosure of that aerodrome that are no longer used for the airport public service and secondly, the value of those buildings on the date on which they were allocated to the airport plus the associated costs

Their rehabilitation and the closure of airport facilities is paid to the State. This applies in particular to general aviation aerodromes.

In addition, rental income from investment property amounts to €185 million in 2016. The rebilled charges represent 11% of the external rents invoiced in 2016.



## NOTE 7 EQUITY AND EARNINGS PER SHARE

### 7.1 Equity

Equity break down as follows:

<i>(in millions of euros)</i>	Share capital	Share premium	Treasury shares	Retained earnings	Other equity items	Group share	Non-controlling interests	Total
<b>As at 31 Dec. 2016</b>	<b>297</b>	<b>543</b>	<b>(12)</b>	<b>3,541</b>	<b>(85)</b>	<b>4,284</b>	<b>7</b>	<b>4,291</b>

#### 7.1.1 Share capital

Aéroports de Paris SA' aggregate share capital amounts to €296,881,806 divided into 98,960,602 fully paid shares of €3 each, which were not the subject of any change during the financial year 2016.

The share capital is accompanied by a share premium of 542,747 thousands of euros pertaining to the issuance of shares in 2006.

#### 7.1.2 Treasury shares

Treasury shares held by the group are booked as a deduction from equity at their cost of acquisition. Any gains or losses connected with the purchase, sale or cancellation of treasury shares are recognised directly in equity without affecting the income statement.

In the context of employee share ownership Plan adopted in 2015, Aéroports de Paris SA sold 286,999 shares over the period relating to the share purchase offer component of the plan. As regards the allocation of bonus shares, free shares were allotted to all employees of Aéroports de Paris SA and subsidiaries affiliated to the group savings plan at the rate of 12 Shares per employee representing a total of 114,631 shares. In addition, as part of its liquidity contract and in accordance with the authorization given by the shareholders at the ordinary general meeting of 3 May 2016, during the period, the company repurchased 265,452 shares and sold 265,952.

Thus, the number of treasury shares that was 500 as at 31 December 2015 is 0 on 31 December 2016 under this contract.

#### 7.1.3 Other equity items

Other equity items break down as follows:

<i>(in millions of euros)</i>	As at 1 Jan. 2015	Comprehensive income - 2015	As at 31 Dec. 2015	Comprehensive income - 2016	As at 31 Dec. 2016
Translation adjustments	1	2	3	1	4
Actuarial gain/(loss) <sup>1</sup>	(100)	16	(84)	(10)	(94)
Fair value reserve	(1)	1	-	5	5
<b>TOTAL</b>	<b>(100)</b>	<b>19</b>	<b>(81)</b>	<b>(4)</b>	<b>(85)</b>

<sup>1</sup> Cumulative losses on variances.

#### 7.1.4 Retained earnings

Retained earnings may be analysed as follows:

<i>(in millions of euros)</i>	As at 31 Dec. 2016	As at 31 Dec. 2015
Reserves of parent company Aéroports de Paris:		
♦ Legal reserve	30	30
♦ Other reserves	863	863
♦ Retained earnings	987	848
Consolidated reserves	1,226	1,219
Net income for the period attributable to the owners of the parent company	435	430
<b>TOTAL</b>	<b>3,541</b>	<b>3,390</b>

### 7.1.5 Dividends paid

Dividends paid amounted to:

- ◇ €258 million in 2016 (including €69 million of deposit in 2015), i.e. €2.61 per share, in compliance with Resolution 3 of the 3 May 2016 Ordinary General Meeting of Shareholders;
- ◇ €241 million in 2015, i.e. €2.44 per share, in compliance with Resolution 3 of the 18 May 2015 Ordinary General Meeting of Shareholders.

### 7.1.6 Proposed dividends

The dividend amount proposed prior to the publication of the financial statements and not booked within the 2016 accounts under distribution to equity holders, stood at €261 million, i.e. €2.64 per share.

The Board of Directors of the group authorized the payment of an interim dividend until the financial year ending on 31 December 2020. For the 2016 financial year, this interim dividend represents an amount of €69 million, or an amount per share of €0.70. The dividend payment of the interim dividend was made on 7 December 2016 and payment of the interim dividend for 2016 was made on 9 December 2016.

The 2<sup>nd</sup> amending budget law for 2012 established in France an additional contribution to the corporate tax of 3% based on income distributed. The amount of additional corporate income tax associated with the distribution is €8 million.

### 7.1.7 Earnings per share

The calculation of earnings per share is as follows at the closing date:

	2016	2015
Weighted average number of outstanding shares (without own shares)	98,932,700	98,959,402
Net profit of continuing activities attributable to owners of the parent company (in millions euros)	435	430
<b>Basic earnings per share (in euros)</b>	<b>4.40</b>	<b>4.35</b>
<b>Diluted earnings per share (in euros)</b>	<b>4.40</b>	<b>4.35</b>
Net income attributable to owners of the parent company (in millions euros)	435	430
<b>Basic earnings per share (in euros)</b>	<b>4.40</b>	<b>4.35</b>
<b>Diluted earnings per share (in euros)</b>	<b>4.40</b>	<b>4.35</b>

Basic earnings per share correspond to the income attributable to holders of equity in the parent company.

The weighted average number of shares corresponds to the number of shares making up the share capital of the parent company, less the

average self-owned shares held during the period, that is to say 1,200 as on 31 December 2015 and 25,902 as on 31 December 2016.

There are no diluting equity instruments.

## NOTE 8 OTHER PROVISIONS AND OTHER NON-CURRENT LIABILITIES

### 8.1 Other provisions

Other provisions set up by Groupe ADP concern essentially commercial and social litigation, as well as country, tax and environmental risks. A provision is recognized as soon as a liability of uncertain timing or amount occurs.

A provision is recognized when the three following conditions are satisfied:

- ◇ the group has a present legal or constructive obligation resulting from a past event;

- ◇ it is probable that future outflows of resources embodying economic benefits will be necessary to settle the obligation; and
- ◇ the amount of the obligation can be estimated reliably.



Other provisions evolved as follows:

<i>(in millions of euros)</i>	Litigation and claims	Other provisions	2016	Litigation and claims	Other provisions	2015
<b>Provisions as at 1 January</b>	<b>19</b>	<b>64</b>	<b>83</b>	<b>16</b>	<b>74</b>	<b>90</b>
<b>Increases</b>	<b>1</b>	<b>20</b>	<b>21</b>	<b>5</b>	<b>21</b>	<b>26</b>
♦ Additions	1	20	21	5	12	17
♦ Other changes	-	-	-	-	9	9
<b>Decreases</b>	<b>(5)</b>	<b>(30)</b>	<b>(35)</b>	<b>(2)</b>	<b>(31)</b>	<b>(33)</b>
♦ Provisions used	(1)	(15)	(16)	-	(21)	(21)
♦ Provisions reversed	(4)	(15)	(19)	(2)	(10)	(12)
<b>Provisions at closing</b>	<b>15</b>	<b>54</b>	<b>69</b>	<b>19</b>	<b>64</b>	<b>83</b>
<i>Of which</i>						
♦ Non-current portion	15	31	46	19	34	53
♦ Current portion	-	23	23	-	30	30

Following the implementing of a Voluntary Departure Plan in 2013 and in accordance with the IAS 19 and IAS 37 accounting standards, a provision was recognised at the end of 2015 for €43 million. The provision related to the Voluntary Departure Plan was subject to a reversal of provision of €7 million, carrying its balance at €3 million as of 31 December 2016.

Provisions for disputes relate to various supplier, employee and commercial issues.

Other provisions include in particular provisions for customer and supplier risks.

Information on contingent liabilities is disclosed in note 16.

## 8.2 Other non-current liabilities

Items presented as other non-current liabilities include:

- ♦ Investment subsidies. In compliance with the option offered by IAS 20, these subsidies are recorded as liabilities and are transferred to the income statement as the associated assets are amortised;
- ♦ Revenues from contracts accounted as deferred income;
- ♦ Debt related to the minority put option.

In compliance with IAS 32, this debt is initially measured at the present value of the option exercise price. The counterpart of this debt is a decrease in the carrying value of the minority interest. The difference between the present value of the option exercise price and the carrying value is recorded in shareholder's equity – group share under other reserves. Subsequently, this debt is revalued by an offsetting entry in the income statement at the end of each period.

At the end of the period, other non-current liabilities were as follows:

<i>(in millions of euros)</i>	<b>As at 31 Dec. 2016</b>	<b>As at 31 Dec. 2015</b>
Investment grants	43	42
Debt related to the minority put option	11	11
Deferred income	71	64
<b>TOTAL</b>	<b>125</b>	<b>117</b>

The debt related to the minority put option concerns Ville Aéroportuaire Immobilier 1 which option exercise date will be at the end of 2023.

Deferred income over a year consists mainly in:

- ♦ the rent to Air France of terminal T2G, i.e. €28 million as of 31 December 2016 (€31 million as of 31 December 2015);
- ♦ leasing construction of SCI Aéroville, i.e. €26 million as of 31 December 2016 (€23 million as of 31 December 2015);

## NOTE 9 FINANCING

### 9.1 Management of financial risk

#### 9.1.1 Introduction

In addition to derivative instruments, the group's main financial liabilities consist of bank loans and overdrafts, bonds, rental financing debts, supplier debts and rental contracts. The main objective of these financial liabilities is to finance the group's operating activities. The group has other financial assets such as customer debts, cash and short-term deposits that are generated directly by its activities.

The group also holds derivative instruments, mainly interest rate swaps. The objective of these instruments is the management of interest rate risks linked to the financing of the group.

The main risks linked to the group's financial instruments are:

- ◆ credit risk;
- ◆ liquidity risk;
- ◆ market risk.

This note presents information on the exposure of the group to each of the above risks, its objectives, its risk measurement and management policy and procedures, and its capital management. Quantitative information appears elsewhere within the consolidated financial statements.

It is the task of the risk and audit committee to define and supervise the scope of the group's risk management. The objective of the group's risk management policy is to identify and analyse the risks that the group must face, define the limits within which the risks should fall and the controls to be implemented, manage the risks and ensure compliance with the limits defined. The risk management policy and systems are regularly reviewed in order to take account of changes in market conditions and the group's activities. Through its training and management rules and procedures, the group aims to develop a rigorous and constructive control environment, within which all personnel have a good understanding of their roles and obligations.

The group's audit committee has responsibility for carrying out an examination, together with senior management, of the main risks faced by the group, and examining the risk control policy in all areas. In addition, the Internal Audit Department carries out reviews of the risk management controls and procedures, the results of which are communicated to the audit committee.

#### CUSTOMERS AND OTHER DEBTORS

The group policy is to place under legal supervision and to check the financial health of all its customers (either new or not). Except for the contracts signed with the State and its fully owned subsidiaries, leases agreed between the group and its customers include warranty clauses (deposit cheque, bank guarantee, first demand bank guarantee, etc.). Moreover, receivables are continuously monitored. Therefore, group exposure to bad debt is meaningless.

The group exposure to credit risk is principally affected by the individual characteristics of each customer. Around 25% of the group revenue is related to services sold to its main customer.

Quantitative details regarding trade receivables and anteriority or current receivables are set out in paragraph 4.5.

The group determines a level of write-down that represents its estimate of losses incurred in relation to customer debts and other debtors, as well as investment.

#### INVESTMENTS

With regard to credit risk relating to the group's other financial assets (cash, cash equivalents, financial assets available for sale and certain derivative instruments), Aéroports de Paris SA invests its surplus cash via short term Euro money market funds. The counter-party risk linked to these investments is considered to be marginal. For derivative instruments, the group's exposure is linked to possible default on the part of third parties involved, mainly first rank financial institutions. The maximum exposure is equal to the book value of these instruments.

#### GUARANTEES

Guarantees are accorded by the group to the correct execution of international contracts (cf note 15).

#### 9.1.2 Market risk

Market risk corresponds to the risk that market price variations, such as exchange rates, interest rates and equity instrument prices, may affect the group's results or the value of financial instruments held. The objective of the management of market risk is to manage and control exposure to market risk within acceptable limits, while optimising the profitability/risk ratio. Analyses of sensitivity to rate risk and to exchange risk are presented in paragraph 9.5.3.

### 9.2 Capital management

The group's policy is to maintain a solid capital basis in order to preserve the confidence of investors, creditors and the market and to support the future growth of its businesses.

The gearing ratio fell from 64% in 2015 to 63% in 2016.

The group did not alter its capital management policy over the course of the year.

The group occasionally buys its own shares on the open market to ensure the liquidity of its shares. The frequency of such purchases depends on market prices.

The Board of Directors monitors the level of dividends paid to holders of ordinary shares.

Employees currently hold 1.87% of ordinary shares.

Neither the parent company nor its subsidiaries are subject to any specific requirements under external regulations.



### 9.3 Net financial income

Net financial income include interest payable on borrowings, calculated using the effective interest rate method, interest receivable on investments, interests on the employee benefit liability relating to defined benefit plans and gains and losses on foreign exchange and on hedging instruments which are recognized in the income statement.

The analysis of net financial income is as follows respectively for 2016 and 2015:

<i>(in millions of euros)</i>	Financial income	Financial expenses	Financial income 2016
Gross interest expenses on debt	-	(113)	(113)
Net income (expense) on derivatives	16	(10)	6
<b>Cost of gross debt</b>	<b>16</b>	<b>(123)</b>	<b>(107)</b>
Income from cash and cash equivalents	2	-	2
<b>Cost of net debt</b>	<b>18</b>	<b>(123)</b>	<b>(105)</b>
Net foreign exchange gains (losses)	5	(8)	(3)
Impairment and provisions	1	(8)	(7)
Other	1	(2)	(1)
<b>Other financial income and expenses</b>	<b>8</b>	<b>(18)</b>	<b>(10)</b>
<b>Net financial income</b>	<b>26</b>	<b>(141)</b>	<b>(115)</b>

<i>(in millions of euros)</i>	Financial income	Financial expenses	Financial income 2015
Gross interest expenses on debt	-	(116)	(116)
Net income (expense) on derivatives	21	(15)	6
<b>Cost of gross debt</b>	<b>21</b>	<b>(131)</b>	<b>(110)</b>
Income from cash and cash equivalents	2	-	2
<b>Cost of net debt</b>	<b>23</b>	<b>(131)</b>	<b>(108)</b>
Net foreign exchange gains (losses)	15	(11)	4
Impairment and provisions	4	(10)	(6)
Other	5	(1)	4
<b>Other financial income and expenses</b>	<b>24</b>	<b>(22)</b>	<b>2</b>
<b>Net financial income</b>	<b>47</b>	<b>(153)</b>	<b>(106)</b>

Gains and losses by category of financial instruments are as follows:

<i>(in millions of euros)</i>	2016	2015
<b>Income, expenses, profits and loss on debt at amortised cost</b>	<b>(107)</b>	<b>(110)</b>
Interest charges on debt at amortised cost	(113)	(116)
Net interest on derivative instruments held as cash-flow hedges	-	-
Net interest on derivative instruments held as fair value hedges	4	3
Change in value of fair value hedging instruments	(3)	17
Change in value of hedged items	5	(14)
<b>Gains and losses of financial instruments recognized at fair value in the income statement</b>	<b>1</b>	<b>3</b>
Gains on cash equivalents (fair value option)	1	3
<b>Profits and losses on assets held for sale</b>	<b>1</b>	<b>3</b>
Gains (losses) on disposal	(1)	-
Net allowances to provisions	2	3
<b>Other profits and losses on loans, credits and debts and amortised cost</b>	<b>(1)</b>	<b>7</b>
Net foreign exchange gains (losses)	(1)	4
Other net profit	-	3
<b>Financial allowances to provisions for employee benefit obligations</b>	<b>(9)</b>	<b>(9)</b>
Financial allowances to provisions for employee benefit obligations	(9)	(9)
<b>TOTAL NET GAINS (NET LOSSES) RECOGNIZED IN THE INCOME STATEMENT</b>	<b>(115)</b>	<b>(106)</b>
<b>TOTAL NET GAINS (NET LOSSES) RECOGNIZED DIRECTLY IN EQUITY</b>	<b>-</b>	<b>-</b>

## 9.4 Financial debt

Bond issues and other interest-bearing liabilities are initially recognized at their fair value, which corresponds to the amount received, less attributable transaction costs, such as issue premiums and expenses. Subsequently, the debt is recognized according to the method of the amortised cost using the effective interest rate of the instrument.

The effective rate corresponds to the rate that enables to obtain the booked value of a bond at its initial date, when discounting future cash flows related to the instrument.

Similarly, trade payables are recognized at their fair value at the date of their initial recognition. They are subsequently recognized at the amortised cost.

Financial debts with maturities greater than one year are recognized as non-current debt. Financial debts due for repayment within less than one year are recognized as current debt.

### 9.4.1 Details of loans and financial debt

Loans and financial debt at the closing date may be analysed in this way:

<i>(in millions of euros)</i>	As at 31 Dec. 2016	Non- current portion	Current portion	As at 31 Dec. 2015	Non- current portion	Current portion
Bonds	3,868	3,679	189	3,869	3,869	-
Bank loans	517	517	-	517	517	-
Other loans and assimilated debt	28	25	3	25	23	2
<b>Debt (excluding accrued interests and derivatives)</b>	<b>4,413</b>	<b>4,221</b>	<b>192</b>	<b>4,411</b>	<b>4,409</b>	<b>2</b>
Accrued interest	71	-	71	71	-	71
Derivative financial instruments (liabilities)	20	18	2	19	17	2
<b>TOTAL DEBT</b>	<b>4,504</b>	<b>4,239</b>	<b>265</b>	<b>4,501</b>	<b>4,426</b>	<b>75</b>



## 9.4.2 Net financial debt

Net financial debt as defined by Groupe ADP corresponds to the amounts appearing on the liabilities of the balance sheet under the items non-current loans and debts, and current loans and debts, debt related to the minority put option, reduced by derivative financial instruments in an asset position, receivables and current accounts from associates and cash and cash equivalents.

This net financial debt appears as follows at the closing date:

<i>(in millions of euros)</i>	<b>As at 31 Dec. 2016</b>	<b>Non- current portion</b>	<b>Current portion</b>	<b>31 Dec. 2015<sup>1</sup></b>	<b>Non- current portion</b>	<b>Current portion</b>
<b>Debt</b>	<b>4,504</b>	<b>4,239</b>	<b>265</b>	<b>4,501</b>	<b>4,426</b>	<b>75</b>
Derivative financial instruments (assets)	91	31	60	96	88	8
Receivables and current accounts from associates	58	10	48	55	8	47
Cash and cash equivalents	1,657	-	1,657	1,734	-	1,734
Debt related to the minority put option	(11)	(11)	-	(11)	(11)	-
<b>Net financial debt</b>	<b>2,709</b>	<b>4,209</b>	<b>(1,500)</b>	<b>2,627</b>	<b>4,341</b>	<b>(1,714)</b>
<i>Gearing</i>	63%			64%		

<sup>1</sup> Restated figures as described in Note 4.1 and restated in 2015 in order to take into account the debt related to the minority put option which is now integrated for the calculation of the net financial debt.

## 9.4.3 Details of bonds and bank loans

Details of bonds and bank loans may be analysed in the following way:

<i>(in millions of euros)</i>	<b>Nominal value</b>	<b>Nominal rate</b>	<b>Effective rate before taking account of fair value hedges</b>	<b>Value of the debt at amortised cost</b>	<b>Impact of fair value hedges</b>	<b>Book value as at 31/12/2016</b>	<b>Fair value as at 31/12/2016</b>
<b>Bonds</b>							
ADP CHF 200 M 2010-2017	186	2.5%	Eur 3M + margin	186	3	189	187
ADP 2012-2019	300	2.375%	2.476%	299	-	299	318
ADP 2010-2020	500	3.886%	3.95%	491	-	491	567
ADP 2011-2021	400	4.0%	4.064%	399	12	411	474
ADP 2011-2022	400	3.875%	3.985%	398	-	398	478
ADP 2015-2023	500	1.50%	1.524%	498	-	498	540
ADP 2012-2024	500	3.125%	3.252%	496	-	496	602
ADP 2014-2025	500	1.50%	1.609%	493	-	493	542
ADP 2013-2028	600	2.75%	2.846%	593	-	593	731
<b>TOTAL</b>	<b>3,886</b>			<b>3,853</b>	<b>15</b>	<b>3,868</b>	<b>4,439</b>
<b>Bank loans</b>							
BEI 2003-2018	100	Eur 3M + margin	Eur 3M + margin	100	-	100	100
BEI 2004-2019	220	Eur 3M + margin	Eur 3M + margin	220	-	220	221
BEI 2004-2020	30	Eur 3M + margin	Eur 3M + margin	30	-	30	30
BEI 2005-2020	130	Eur 3M + margin	Eur 3M + margin	130	-	130	131
Other	37	-	-	37	-	37	42
<b>TOTAL</b>	<b>517</b>			<b>517</b>	<b>-</b>	<b>517</b>	<b>524</b>

The fair value (M-to-M) is a value calculated by discounting future cash flows excluding accrued interest. This value does not include the Aéroports de Paris SA' credit spread.

## 9.5 Financial instruments

### Derivative financial instruments

As part of its interest rate risk on mid and long-term liabilities managing policy, the group uses derivative financial instruments. These consist of interest rate swaps and cross-currency swaps matched with bond issues and bank loans.

Interest rate swaps are initially and subsequently valued in the balance sheet at their fair value through the income statement. Changes in the fair value of derivative instruments are recognized through the income statement, with the exception of particular cases in respect of hedge accounting set out below.

Where a financial instrument can be qualified for hedge accounting, it is valued and accounted for in accordance with hedge accounting criteria contained in IAS 39:

- ◆ if the derivative is designated as a cash flow hedge, changes in the value of the effective part of the derivative are recorded in other elements of the comprehensive income statement and are presented in fair value reserves within equity capital. They are taken to the income statement when the hedged item is itself recognized in the income statement. Conversely, the ineffective part of the derivative is recognized directly in the income statement. Where the hedged transaction is a future debt issue, the reclassification to the income statement is carried out over the term of the debt issue, once the issue has taken place. When the forecasted transaction leads to the recognition of a non-financial asset or liability, the cumulative changes in the fair value of a hedging instrument formerly recognized through shareholders' equity are included in the initial valuation of the asset or liability in question;
- ◆ if the derivative instrument is designated as a fair value hedge, changes in the value of the instrument and of the hedged item are recognized in the income statement in the same period;
- ◆ a hedge of a net investment in a foreign entity receives the same accounting treatment as a cash flow hedge. Changes in the fair value of the hedging instrument are recognized in equity, for the effective part of the hedging relationship, whereas changes in connection with the ineffective part of the hedge are recognized in net finance costs. When the investment in the foreign entity is sold, all changes in the

fair value of the hedging instrument previously recognized through equity are transferred to the income statement.

Hedge accounting is applicable if the hedging relationship is clearly defined and documented when it is set up and if the effectiveness of the hedging relationship is demonstrated prospectively and retrospectively at the initial date and at each subsequent closing period.

Derivatives are entered on the assets side of the balance sheet under "Other current financial assets" or on the liabilities side under "Current debt". Such derivatives can be cancelled at any time by paying or receiving a cash amount corresponding to their fair value.

### Fair value of financial instruments

#### ◆ Measuring method of fair value

The best criterion for measuring the fair value of a contract is the price agreed upon between a buyer and seller operating on a free market under market conditions. At the date of the agreement, this is generally the transaction price. Subsequently, the value of the contract must be based on observable market data which constitute the most reliable indication of fair value for financial instruments:

- ◆ Updated future cash flows for bonds and bank loans;
- ◆ quoted prices on an organized market for non-consolidated listed investments;
- ◆ market value for interest rate and foreign exchange instruments, valued using discounting of differential future cash flows or on the basis of quoted prices issued by third party financial institutions.

The fair value for forward contracts to sell foreign currencies corresponds to the difference between the currency amounts converted at the contractually fixed rates for each maturity and the currency amounts converted at the forward rate for the same maturities.

The fair value of a financial instrument reflects the effect of non-performance risk: the counterparty credit risk (Credit Valuation Adjustment - CVA) and the own credit risk of Aéroports de Paris SA (Debit Valuation Adjustment - DVA). For derivatives, the group has elected to determine the CVA using a mixed model including market data (use of counterparty's spreads CDS) and historical statistic data.



## 9.5.1 Categories of financial assets and liabilities

(in millions of euros)	As at 31 Dec. 2016	Breakdown by category of financial instrument						
		Fair value		Available- for-sale financial assets	Loans and receivables	Debt at amortised cost	Hedging derivatives	
		Fair value option <sup>1</sup>	Trading <sup>2</sup>				Fair value hedge	Cash flow hedge
Other non-current financial assets	125	-	31	19	75	-	-	-
Trade receivables	548	-	-	-	548	-	-	-
Other receivables <sup>3</sup>	41	-	-	-	41	-	-	-
Other current financial assets	129	-	4	-	69	-	56	-
Cash and cash equivalents	1,657	1,657	-	-	-	-	-	-
<b>TOTAL FINANCIAL ASSETS</b>	<b>2,500</b>	<b>1,657</b>	<b>35</b>	<b>19</b>	<b>733</b>	<b>-</b>	<b>56</b>	<b>-</b>
Non-current debt	4,239	-	18	-	-	4,221	-	-
Trade payables	472	-	-	-	-	472	-	-
Other debts <sup>3</sup>	169	-	-	-	-	169	-	-
Current debt	265	-	2	-	-	263	-	-
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>5,145</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>5,125</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Restated figures as described in Note 4.1.

<sup>2</sup> Identified as such at the outset.

<sup>3</sup> Other receivables and other debts exclude all accounts which do not constitute, within the terms of IAS 32, contractual rights and obligations, such as tax and social security debts or receivables.

(in millions of euros)	As at 31 Dec. 2015 <sup>1</sup>	Breakdown by category of financial instrument						
		Fair value		Available- for-sale financial assets	Loans and receivables	Debt at amortised cost	Hedging derivatives	
		Fair value option <sup>2</sup>	Trading <sup>3</sup>				Fair value hedge	Cash flow hedge
Other non-current financial assets	179	-	33	17	74	-	55	-
Trade receivables	516	-	-	-	516	-	-	-
Other receivables <sup>4</sup>	53	-	-	-	53	-	-	-
Other current financial assets	67	-	4	-	59	-	4	-
Cash and cash equivalents	1,734	1,734	-	-	-	-	-	-
<b>TOTAL FINANCIAL ASSETS</b>	<b>2,549</b>	<b>1,734</b>	<b>37</b>	<b>17</b>	<b>702</b>	<b>-</b>	<b>59</b>	<b>-</b>
Non-current debt	4,426	-	17	-	-	4,409	-	-
Trade payables	457	-	-	-	-	457	-	-
Other debts <sup>4</sup>	174	-	-	-	-	174	-	-
Current debt	75	-	2	-	-	73	-	-
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>5,132</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>5,113</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Restated figures as described in Note 4.1.

<sup>2</sup> Identified as such at the outset.

<sup>3</sup> Classified as held for trading purposes.

<sup>4</sup> Other receivables and other debts exclude all accounts which do not constitute, within the terms of IAS 32, contractual rights and obligations, such as tax and social security debts or receivables.

The fair value of assets and liabilities generally proves to be very close to their value on the balance sheet, with their book values corresponding almost systematically to a reasonable approximation of this fair value.

In the scope of the determination of fair value of derivatives, the credit valuation adjustment (CVA) was computed as of 31 December 2016 audits impact was assessed as non-significant.

## 9.5.2 Fair value hierarchy

### Fair value hierarchy

IFRS 13, "Fair Value Measurement", establishes a fair value hierarchy and distinguishes three levels:

- ◆ level 1: fair value based on quoted prices for the same instrument in an active market (without modification or repackaging). This level mainly applies to marketable securities whose prices are reported by the French Financial Markets Authority (*Autorité des Marchés Financiers*);

- ◆ level 2: fair value based on quoted prices for similar assets or liabilities and valuation techniques whose major data are based on observable market data. This level mainly applies to derivative instruments whose values are provided by Bloomberg;

- ◆ level 3: fair value based on valuation techniques whose major data are not all based on observable market data. Currently, this level does not apply within the group.

The fair value hierarchy for financial instruments in 2015 and 2016 is as follows:

(in millions of euros)	As at 31 Dec. 2016		Level 1 Quoted prices in active markets	Level 2 Prices base on observable data	Level 3 Prices base on non-observable data
	Book value	Fair value			
<b>Assets</b>					
Available-for-sale financial assets	19	19	-	19	-
Loans and receivables excluding finance leases receivables	120	120	-	120	-
Derivatives	91	91	-	91	-
Cash and cash equivalents	1,657	1,657	1,657	-	-
<b>Liabilities</b>					
Bonds	3,868	4,439	-	4,439	-
Bank loans	517	524	-	524	-
Other loans and assimilated debt	28	28	-	28	-
Interest on loans	71	71	-	71	-
Derivatives	20	20	-	20	-

(in millions of euros)	As at 31 Dec. 2015 <sup>1</sup>		Level 1 Quoted prices in active markets	Level 2 Prices base on observable data	Level 3 Prices base on non-observable data
	Book value	Fair value			
<b>Assets</b>					
Available-for-sale financial assets	18	18	-	18	-
Loans and receivables excluding finance leases receivables	110	110	-	110	-
Derivatives	96	96	-	96	-
Cash and cash equivalents	1,734	1,734	1,734	-	-
<b>Liabilities</b>					
Bonds	3,869	4,416	-	4,416	-
Bank loans	517	525	-	525	-
Other loans and assimilated debt	25	26	-	26	-
Interest on loans	71	71	-	71	-
Derivatives	19	19	-	19	-

<sup>1</sup> Restated figures as described in Note 4.1.



### 9.5.3 Analysis of risks related to financial instruments

#### RATE RISKS

To supplement its available cash flow, the group resorts to debt to finance its investment programme.

The risk rate relating to the debt is managed by modulating the respective proportions of fixed rates and variable rates in line with market developments.

The management of this risk depends on the implementation or cancellation of interest rate operations (swaps).

The group's exposure to interest rate risk is essentially a result from its financial debt, and to a lesser extent its portfolio of rates derivatives.

The group's policy consists of managing its interest charge by using a combination of fixed rate and variable rate loans. The group's policy is that 50% to 100% of its debt should be at fixed rates. In line with this objective, the group puts in place interest rate swaps through which it exchanges, at specific intervals, the difference between the amount of interest at fixed rates and the amount of interest at variable rates, calculated on a nominal loan amount agreed between the parties. These swaps are assigned to loan hedging.

The breakdown of financial debt at fixed and variable rate is as follows:

	As at 31 Dec. 2016			As at 31 Dec. 2015		
	Before hedging	After hedging	%	Before hedging	After hedging	%
<i>(in millions of euros)</i>						
Fixed rate	4,003	3,814	85%	4,000	3,808	85%
Variable rate	481	670	15%	482	674	15%
<b>Debt (excluding derivatives)</b>	<b>4,484</b>	<b>4,484</b>	<b>100%</b>	<b>4,482</b>	<b>4,482</b>	<b>100%</b>

Analysis of the sensitivity of fair value for fixed rate instruments:

Aéroports de Paris SA is subject to the variability of future charges relating to variable rate debt. A variation in interest rates on the date of closure would have resulted in an increase (decrease) in equity and income by the amounts indicated below. For the purposes of this analysis, all other variables, in particular exchange rates are assumed to remain constant.

As of 31 December 2016, Aéroports de Paris SA holds rate and exchange-based derivative financial instruments (swaps and cross-currency swaps), with a fair value of €91 million, appearing on the assets under other current financial assets, and €20 million appearing on the liabilities under financial debt.

The notional amounts of fair value hedging derivatives may be analysed as follows:

	Maturity < 1 year	Maturity between 1 & 5 years	Maturity > 5 years	As at 31 Dec. 2016	Fair value
<i>(in thousands of euros)</i>					
Derivatives classified as fair value hedges	135	-	-	135	56
Derivatives classified as cash flow hedges	-	-	-	-	-
Derivatives not classified as hedges	-	400	-	400	15
<b>TOTAL</b>	<b>135</b>	<b>400</b>	<b>-</b>	<b>535</b>	<b>71</b>

The portfolio of non-hedging derivatives is made up exclusively of return swaps with a fixed margin. This part of the derivatives portfolio is therefore not very sensitive to change in interest rates. An immediate 1% decrease in interest rates on 31 December 2016 would not result in a material increase on the fair value of the derivatives.

## EXCHANGE RISK

In general terms, the group has little exposure to currency risk. The currencies in which the transactions are essentially denominated are the euro and the USD, together with some Persian Gulf currencies linked to the American dollar at fixed parity, such as the Saudi riyal, the United Arab Emirates dirham and the Omani rial.

In order to reduce exposure to fluctuations in the value of the US dollar and in the values of currencies linked to it by a fixed exchange rate, the group has a hedging policy consisting of:

- ◆ neutralising exchange rate risk as far as possible by reducing the balance of revenue and expense in these currencies;
- ◆ if necessary making partial forward sales of dollars for residual balances.

The breakdown of financial assets and liabilities by currency is as follows, once the effect of currency-swaps and rates backed by the bonds issued in Swiss francs is taken into account:

<i>(in millions of euros)</i>	<b>As at 31 Dec. 2016</b>	<b>Euro</b>	<b>USD</b>	<b>AED</b>	<b>JOD</b>	<b>Other currencies</b>
Other non-current financial assets	125	93	27	-	1	4
Trade receivables	548	506	1	5	12	24
Other receivables <sup>1</sup>	41	41	-	-	-	-
Other current financial assets	129	129	-	-	-	-
Cash and cash equivalents	1,657	1,626	16	2	3	10
<b>TOTAL FINANCIAL ASSETS</b>	<b>2,500</b>	<b>2,395</b>	<b>44</b>	<b>7</b>	<b>16</b>	<b>38</b>
Non-current debt	4,239	4,239	-	-	-	-
Trade payables	472	463	3	2	-	4
Other debts <sup>1</sup>	169	166	-	1	1	1
Current debt	265	265	-	-	-	-
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>5,145</b>	<b>5,133</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>5</b>

<sup>1</sup> Other receivables and other debts exclude all accounts which do not constitute, within the terms of IAS 32, contractual rights and obligations, such as tax and social security debts or receivables.

Other currencies include primarily the Oman ryal (OMR).

The exchange rates used for the conversion of the financial statements of foreign subsidiaries, joint ventures and associated are as follows:

	<b>As at 31 Dec. 2016</b>		<b>As at 31 Dec. 2015<sup>1</sup></b>	
	<b>Closing rate</b>	<b>Average rate</b>	<b>Closing rate</b>	<b>Average rate</b>
United States Dollar (USD)	0.95648	0.90380	0.91617	0.90136
Mexican Peso (MXN)	0.04637	0.04844	0.05339	0.05694
Mexican Peso (MXN) <sup>1</sup>	0.04959	0.04889	0.05339	0.05694
Turkish Lira (TRY)	0.27223	0.29948	0.31531	0.33239
Jordanian Dinar (JOD)	1.35099	1.27540	1.29216	1.27168
Libyan Dinar (LYD)	0.66379	0.66111	0.65863	0.66098
Moroccan Dirham (MAD)	0.09414	0.09216	0.09266	0.09247
Moroccan Dirham (MAD) <sup>2</sup>	0.09227	0.09249	0.09266	0.09247
Croatian Kuna (HRK)	0.13243	0.13275	0.13067	0.13137
Chinese yuan (CNY)	0.13756	0.13608	0.14204	0.14349
Chilean peso (CLP)	0.00142	0.00134	0.00132	0.00138
Ariary (MGA)	0.00029	0.00028	0.00029	0.00029
Mauritian Rupee (MUR)	0.02661	0.02543	0.02536	0.02570

<sup>1</sup> Rate frozen at the end of October 2016 in the context of the disposal of the mexican company OMA.

<sup>2</sup> Rate frozen at the end of February 2016 in the context of the disposal of the company Cires Telecom.



## LIQUIDITY RISK

Liquidity risk corresponds to the risk that the group may experience difficulties in honouring its debts when these become due.

The group's liquidity risk must be assessed in relation to:

- ◆ its cash and potential cash credit lines unused;

The group monitors its cash on a daily basis. Every month a report summarizes, in particular, financing operations and investments, and analyses divergences with regard to the annual cash-flow budget. It also includes a detailed breakdown of investments, possibly together with their degree of risk.

- ◆ its existing financial commitments in terms of repayment (debt maturities, off balance sheet commitments, prepayment provisions);

The maturity schedule of financial liabilities is presented below. Off Balance Sheet commitments are presented in note 15.

The group has entered into loan agreements with mandatory prepayment clauses:

- ◆ For loans issues contracted through the European Investment Bank (EIB), a consultation clause that could lead to a request for early repayment is included within the contracts. These clauses concern: a lowering of the group's rating to below or equal to A by the specialist agency Standard & Poor's (or any equivalent rating issued by a comparable rating agency), loss by the State of most of its share capital and its voting rights, and in the case of a substantial reduction in the cost of the project as defined within the loan contract (proportional repayment only);

- ◆ its ability to raise funds to finance investment projects.

The group's euro-denominated bonds are listed on the Paris Stock Exchange.

There is a provision in place with regard to bonds issued since 2008 that, in the case of a change of controlling interest in the Company and a rating below or equal to BBB- at the point of the change of controlling interest, each holder of a bond may request repayment or buy-back by the issuer of all or a proportion of the bonds that it holds at their nominal value.

The breakdown of the residual contractual maturities of financial liabilities is as follows:

	Balance sheet value	Total contractual payments			
(in millions of euros)	31/12/2016	31/12/2016	0 - 1 year	1 - 5 years	Over 5 years
Bonds	3,868	3,886	186	1,200	2,500
Bank loans	517	517	-	517	-
Security deposits received	16	16	-	1	15
Other loans and assimilated debt	11	11	-	6	5
Interest on loans	71	724	111	390	223
Bank overdrafts	1	1	1	-	-
<b>Debt (excluding derivatives)</b>	<b>4,484</b>	<b>5,155</b>	<b>298</b>	<b>2,114</b>	<b>2,743</b>
Trade payables	472	472	472	-	-
Other debts <sup>1</sup>	169	169	169	-	-
<b>Debt at amortised cost</b>	<b>5,125</b>	<b>5,796</b>	<b>939</b>	<b>2,114</b>	<b>2,743</b>
Outgoings	-	135	135	-	-
Receipts	-	(191)	(191)	-	-
<b>Hedging swaps</b>	<b>(56)</b>	<b>(56)</b>	<b>(56)</b>	<b>-</b>	<b>-</b>
Outgoings	-	31	6	25	-
Receipts	-	(46)	(9)	(37)	-
<b>Trading swaps</b>	<b>(15)</b>	<b>(15)</b>	<b>(3)</b>	<b>(12)</b>	<b>-</b>
<b>TOTAL</b>	<b>5,054</b>	<b>5,725</b>	<b>880</b>	<b>2,102</b>	<b>2,743</b>

<sup>1</sup> Other debts exclude all accounts which do not constitute, within the terms of IAS 32, contractual obligations, such as tax and social security debts.

The maturity schedule of loans and receivables is as follows:

<i>(in millions of euros)</i>	<b>As at 31 Dec. 2016</b>	<b>0 - 1 year</b>	<b>1 - 5 years</b>	<b>Over 5 years</b>
Receivables and current accounts from associates	58	48	3	7
Other receivables and accrued interest related to investments	34	5	-	29
Loans and security deposits	10	3	4	3
Receivables, as lessor, in respect of finance leases	24	3	15	6
Receivables from asset disposals	4	4	-	-
Other financial assets	14	6	7	1
Trade receivables	548	546	2	-
Other receivables <sup>1</sup>	41	41	-	-
Loans and receivables	733	656	31	46

<sup>1</sup> Other receivables exclude all accounts which do not constitute, within the terms of IAS 32, contractual rights, such as tax and social security receivables.

## CREDIT RISK

Credit risk represents the risk of financial loss to the group in the case where a customer or counter-party to a financial instrument failing to meet its contractual obligations. This risk essentially results from customer debts and investment securities.

The book value of financial assets represents the maximum exposure to credit risk. This maximum exposure to credit risk on the closing date is as follows:

<i>(in millions of euros)</i>	<b>As at 31 Dec. 2016</b>	<b>As at 31 Dec. 2015<sup>1</sup></b>
Available-for-sale financial assets	19	17
Financial assets recognized at fair value through the income statement	35	37
Loans and receivables less than one year	658	628
Loans and receivables more than one year	75	74
Cash and cash equivalents	1,657	1,734
Interest rate swaps held for hedging purposes	56	59
<b>TOTAL</b>	<b>2,500</b>	<b>2,549</b>

<sup>1</sup> Restated figures as described in Note 4.1.

Maximum exposure to credit risk concerning receivables and loans on the closing date, broken down by customers, is as follows:

<i>(in millions of euros)</i>	<b>As at 31 Dec. 2016</b>	<b>As at 31 Dec. 2015<sup>1</sup></b>
Air France	121	117
Easy Jet	9	6
Federal Express Corporation	6	9
Other airlines	77	66
<b>Subtotal airlines</b>	<b>213</b>	<b>203</b>
Direction Générale de l'Aviation Civile	92	103
Société de Distribution Aéroportuaire	43	30
Other trade receivables	200	180
Other loans and receivables less than one year	110	112
<b>TOTAL LOANS AND RECEIVABLES LESS THAN ONE YEAR</b>	<b>658</b>	<b>628</b>

<sup>1</sup> Restated figures as described in Note 4.1.



The anteriority of current receivables is as follows:

(in millions of euros)	As at 31 Dec. 2016	
	Gross value	Net value
Outstanding receivables	568	567
Due receivables:		
♦ from 1 to 30 days	9	9
♦ from 31 to 90 days	49	49
♦ from 91 to 180 days	16	16
♦ from 181 to 360 days	11	8
♦ more than 360 days	63	9
<b>CURRENT LOANS AND RECEIVABLES (ACCORDING TO THE SCHEDULE - SEE § LIQUIDITY RISKS)</b>	<b>716</b>	<b>658</b>

The development of trade receivables is detailed in paragraph 4.5.

#### FINANCIAL INSTRUMENTS COMPENSATION

Derivatives contracts of the group may include a compensation right if specific events occur such as a change in control or a credit event.

However, these contracts do not include any comprehensive compensation agreement conferring a legally enforceable right to compensate the financial instruments, nor collateralization agreement.

The following table presents the book value of the assets and liabilities derivatives and the impact of the compensation agreement mentioned above, as of 31 December 2016:

(in millions of euros)	Gross amounts recognised before offsetting (a)	Amounts that are set off in the statement of financial position (b)	Net amounts presented in the statement of financial position (c) = (a) - (b)	Effect of "other offsetting agreements" (that do not meet the offsetting criteria of IAS 32) (d)		Net exposure (c) - (d)
				Financial instruments	Collateral fair value	
derivatives: <i>interest</i> rate swap	35	-	35	-	-	35
derivatives: <i>currency</i> swap	56	-	56	-	-	56
<b>TOTAL FINANCIAL ASSETS - DERIVATIVES</b>	<b>91</b>	<b>-</b>	<b>91</b>	<b>-</b>	<b>-</b>	<b>91</b>
derivatives: <i>interest</i> rate swap	(20)	-	(20)	-	-	(20)
<b>TOTAL FINANCIAL LIABILITIES - DERIVATIVES</b>	<b>(20)</b>	<b>-</b>	<b>(20)</b>	<b>-</b>	<b>-</b>	<b>(20)</b>

## 9.6 Other financial assets

The amounts appearing on the balance sheet as at 31 December 2016 and 31 December 2015 respectively are broken down as follows:

<i>(in millions of euros)</i>	<b>As at 31 Dec. 2016</b>	<b>Non-current portion</b>	<b>Current portion</b>
<b>Available-for-sale securities</b>	<b>19</b>	<b>19</b>	<b>-</b>
<b>Loans and receivables excluding finance leases receivables</b>	<b>120</b>	<b>54</b>	<b>66</b>
◊ Receivables & current account from associates	58	10	48
◊ Other receivables and accrued interest related to investments	34	28	6
◊ Other financial assets	28	16	12
<b>Receivables, as lessor, in respect of finance leases</b>	<b>24</b>	<b>21</b>	<b>3</b>
<b>Derivative financial instruments</b>	<b>91</b>	<b>31</b>	<b>60</b>
◊ Hedging swaps	56	-	56
◊ Trading swaps	35	31	4
<b>TOTAL</b>	<b>254</b>	<b>125</b>	<b>129</b>

<i>(in millions of euros)</i>	<b>As at 31 Dec. 2015</b>	<b>Non-current portion</b>	<b>Current portion</b>
<b>Available-for-sale securities</b>	<b>18</b>	<b>18</b>	<b>-</b>
<b>Loans and receivables excluding finance leases receivables</b>	<b>110</b>	<b>55</b>	<b>55</b>
◊ Receivables & current account from associates	55	8	47
◊ Other receivables and accrued interest related to investments	28	26	2
◊ Other financial assets	27	21	6
<b>Receivables, as lessor, in respect of finance leases</b>	<b>24</b>	<b>20</b>	<b>4</b>
<b>Derivative financial instruments</b>	<b>96</b>	<b>88</b>	<b>8</b>
◊ Hedging swaps	59	55	4
◊ Trading swaps	37	33	4
<b>TOTAL</b>	<b>248</b>	<b>181</b>	<b>67</b>

## NOTE 10 OTHER OPERATING INCOMES AND EXPENSES

Other operating incomes and expenses are significant and non-recurrent items at the level of the group's consolidated performance.

This may involve the disposal of assets or activities, costs incurred related to a business combination, restructuring costs or costs related to a one-off operation.

Following the signing, in March 2015, of the deed of sale of its head office in Paris, on 1 July, the date of the transfer of ownership, the group recognized a capital gain for the amount of €31 million (€20 million after income tax).



## NOTE 11 SHARE OF PROFIT OR LOSS IN ASSOCIATES AND JOINT VENTURES FROM NON-OPERATING ACTIVITIES

In 2016, the share of profit or loss in associates and joint ventures from non-operating activities amounts to €59 million mainly due to the sale of the group's equity interest in Mexican airport operator OMA (cf. note 2).

## NOTE 12 INCOME TAXES

The income taxes covers domestic and foreign taxes which are based on taxable profits and taxes payable on dividends distributed by subsidiaries and associates and joint ventures. Groupe ADP considers that the Company value-added contribution (*Cotisation sur la Valeur Ajoutée des Entreprises* - CVAE) cannot be analysed as an income tax. Therefore, this contribution is recorded in operating expenses.

Income taxes include:

- ◇ Current tax expense or profit; and
- ◇ Deferred tax expense or profit.

Current tax is the amount of income tax due to or receivable from the tax authorities with regard to taxable income or tax loss from a given financial year. Such amounts are recognized respectively in current liabilities or current assets in the balance sheet.

Income taxes are calculated for each entity or taxable unit. The tax consolidation group encompassing the parent company Aéroports de Paris SA and sixteen French subsidiaries held, in which the parent company, directly or indirectly, holds over 95%: Ville Aéroportuaire Immobilier SAS (VAI), Aéroports de Paris Investissement, Hub One, Hub One Mobility, ADP Ingénierie, Aéroports de Paris Management, Cœur d'Orly Commerces Investissements SAS, Cœur d'Orly Investissements SAS, ADPM1, ADPM2, ADPM3, Roissy Continental Square, Hub Safe, Hub Safe Nantes, Hub Safe Training and Hub Safe Régional.

Deferred taxes are recognized for all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except for the cases specified in IAS 12, Income Taxes. Deferred taxes are calculated using the liability method, applying the last enacted income tax rates expected to be applicable when the temporary differences will be reversed. They are not discounted.

Deferred tax assets are recognized, when applicable, in respect of tax loss carryforward and unused tax credits. Generally speaking, deferred tax assets are not recognized except when it is probable that the taxable entity in question will have sufficient future taxable income against which the deductible temporary differences, tax loss carryforward or tax credits can be offset. Non-recognized deferred tax assets are revalue at the end of each accounting period and are recognized to the extent that it has become probable that a future profit will allow them to be recovered.

Income tax is recognized in the income statement unless it concerns items recognized directly in equity; in such cases it is recognized directly or as part of other elements of the comprehensive income statement.

### 12.1 Tax rate

The current tax rate used as on 31 December 2016 amounts to 34.43%.

### 12.2 Analysis of the income tax expense

Within the income statement, the income tax expense is detailed as follows:

(in millions of euros)	2016	2015 <sup>1</sup>
Current tax expense	(225)	(241)
Deferred tax expense	23	(17)
<b>INCOME TAX EXPENSE</b>	<b>(202)</b>	<b>(258)</b>

<sup>1</sup> Restated figures as described in Note 4.1.

These amounts do not include income tax on profit/loss associates and joint ventures, the amounts that appear for these items on the appropriate line of the income statement being net of income tax.

## 12.3 Tax reconciliation

The reconciliation between the theoretical income tax based on the tax rate applicable in France and the effective income tax is as follows:

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015<sup>1</sup></b>
Net income after tax	438	433
Share of profit or loss from associates and joint ventures <sup>2</sup>	44	(55)
Income tax expense	202	258
<b>Income before tax and profit/loss of associates</b>	<b>684</b>	<b>636</b>
<i>Theoretical tax rate applicable in France</i>	<i>34.43%</i>	<i>38.00%</i>
<b>Theoretical tax expense</b>	<b>(236)</b>	<b>(242)</b>
Impact on theoretical tax of:		
◊ Different rate on foreign taxable income and payment at source	5	(3)
◊ Previously unrecognized tax loss carryforwards used in the period	-	1
◊ Additional tax on dividends	(8)	(9)
◊ Tax losses incurred in the period for which no deferred tax asset was recognized	(1)	(4)
◊ Evolution of tax rates <sup>3</sup>	29	-
◊ Changes in unrecognized temporary differences	-	1
◊ Non-deductible expenses and non-taxable revenue	(13)	(10)
◊ Exemption from the long-term capital gain resulting from the sale of SETA shares net of the reinstatement of the share of fees and expenses	18	-
◊ Tax credits	4	8
<b>Effective tax expense</b>	<b>(202)</b>	<b>(258)</b>
<i>Effective tax rate</i>	<i>29.44%</i>	<i>40.63%</i>

<sup>1</sup> Restated figures as described in Note 4.1.

<sup>2</sup> Excluding earnings and disposal costs reclassified in the income statement line of associates (income from the sale of SETA shares and expenses related to the proposed sale of TAV Construction).

<sup>3</sup> Impact due to the reduction of the tax rate from 34.43% to 28.92% in France from 2020 voted in the budget law at the end of December 2016.

## 12.4 Deferred tax assets and liabilities broken down by category

Deferred tax assets and liabilities are presented on the balance sheet as follows:

<i>(in millions of euros)</i>	<b>As at 31 Dec. 2016</b>	<b>As at 31 Dec. 2015</b>
<b>In respect of deductible temporary differences</b>		
◊ Employee benefit obligation	137	151
◊ Amortisation of fees for the study and overseeing of works	15	19
◊ Provisions and accrued liabilities	14	13
◊ Other	3	3
<b>For taxable temporary differences</b>		
◊ Accelerated tax depreciation and other regulated provisions	(342)	(382)
◊ Finance leases	(7)	(11)
◊ Revaluation reserves	(8)	(8)
◊ Other	(10)	(14)
<b>Net deferred tax assets (liabilities)</b>	<b>(198)</b>	<b>(229)</b>

The amortisation of the Fees for the study and overseeing of work (FEST), which appears above within the category of deductible temporary differences, results from the spreading out of previously capitalised costs charged to retained earnings as of 1 January 2003 following accounting adjustments carried out up to that date ahead of the change of the status of the public corporation Aéroports de Paris into a public limited company,

and within the framework of the first-time certification of its accounts for the financial year 2003.

Impact on retained earnings as of 1 January 2003 had related to a cost balance, un-amortised to date, of €180 million. After taking into account the corresponding tax effect, that is to say €64 million, the net negative impact on retained earnings was €116 million.



In agreement with tax authorities, this correction resulted, starting from the fiscal year 2004, in tax treatment being spread over the initial amortisation period for these costs.

Within the consolidated financial statements in accordance with IFRS standards, this spread resulted, at the opening of the 2004 financial

year, in the recording of deferred tax assets of €64 million. Taking into account the tax deductions applied since 2004 with regard to this spread, the residual amount for deferred tax assets was €15 million as of 31 December 2016.

## 12.5 Table of changes in deferred tax assets and liabilities

Deferred tax assets and liabilities evolved as follows between the beginning and the end of the period:

<i>(in millions of euros)</i>	Assets	Liabilities	Net amount
<b>As at 1 Jan. 2016</b>	-	229	(229)
Amount recognized directly through equity on employee benefit obligations	-	(5)	5
Amounts recognized for the period	-	(26)	26
<b>As at 31 Dec. 2016</b>	-	198	(198)

## 12.6 Current tax assets and liabilities

Current tax assets correspond to the amount to be recovered from the tax authorities. Current tax liabilities correspond to the amounts remaining to be paid to these authorities.

These tax assets and liabilities appear as follows:

<i>(in millions of euros)</i>	As at 31 Dec. 2016	As at 31 Dec. 2015
<b>Current tax assets</b>		
◇ Aéroports de Paris SA and tax-consolidated companies	-	-
◇ Other consolidated entities	-	-
<b>TOTAL</b>	-	-
<b>Current tax liabilities</b>		
◇ Aéroports de Paris SA and tax-consolidated companies	3	18
◇ Other consolidated entities	5	5
<b>TOTAL</b>	8	23

The group has no knowledge of any contingent tax assets or liabilities as of 31 December 2016.

## NOTE 13 CASH AND CASH EQUIVALENTS AND CASH FLOWS

### 13.1 Cash and cash equivalents

Cash and cash equivalents comprise current accounts at banks and short-term liquid investments subject to negligible risks of fluctuations of value. Cash equivalents consist essentially of monetary. Bank overdrafts are not included in cash and are reported under current financial liabilities.

"Cash management financial assets" comprises units in UCITS, made with a short-term management objective, satisfying the IAS 7 criteria for recognition as cash.

Cash and cash equivalents break down as follows:

<i>(in millions of euros)</i>	<b>As at 31 Dec. 2016</b>	<b>As at 31 Dec. 2015<sup>1</sup></b>
Marketable securities <sup>2</sup>	1,556	1,581
Cash <sup>2</sup>	101	153
Bank overdrafts <sup>3</sup>	(1)	(2)
<b>CASH AND CASH EQUIVALENTS</b>	<b>1,656</b>	<b>1,732</b>

<sup>1</sup> Restated figures as described in Note 4.1.

<sup>2</sup> Including €24 million of marketable securities and €1 million of cash dedicated to aid to local residents funding collected through the tax on airborne noise nuisances (TNSA).

<sup>3</sup> Included in Current liabilities under debt.

As part of its cash management, Groupe ADP has mainly invested in euro-denominated UCITS.

The group's exposure to interest rate risk and an analysis of the sensitivity of financial assets and liabilities are detailed within paragraph 9.5.

Cash and short-term cash equivalents for the group (€4 million) include the bank accounts of certain subsidiaries for which repatriation conditions are complex in the short term for mainly regulatory reasons.

## 13.2 Cash flows

### 13.2.1 Cash flows from operating activities

#### Income and expense with no impact on net cash

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015<sup>1</sup></b>
Depreciation, amortisation and impairment losses (excluding current assets)	471	426
Profit/loss of associates from operating activities	(52)	(58)
Net gains on disposals	(34)	(4)
Other	99	(5)
<b>INCOME AND EXPENSE WITH NO IMPACT ON NET CASH</b>	<b>484</b>	<b>359</b>

<sup>1</sup> Restated figures as described in Note 4.1.

Net gains on disposals are mainly due to the disposal of Aéroports de Paris SA headquarters in Paris (cf. note 10).

#### Change in working capital

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015<sup>1</sup></b>
Inventories	(7)	(1)
Trade and other receivables	(53)	(10)
Trade and other payables	(17)	73
Change in working capital	(77)	62

<sup>1</sup> Restated figures as described in Note 4.1.

### 13.2.2 Cash flows from investing activities

#### Acquisition of subsidiaries and associates (net of acquired cash)

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015<sup>1</sup></b>
Proceeds from sale of subsidiaries (net of cash sold) and associates	71	5
Acquisitions of subsidiaries and associates (net of cash acquired)	(1)	-
Acquisition of investments	(19)	(49)

<sup>1</sup> Restated figures as described in Note 4.1.

In 2016, the flow related to proceeds from sale of subsidiaries is mainly related to the sale of the group's equity interest in Mexican Airport Operator OMA.



In 2016 as in 2015, the flow related to acquisition of non-consolidated investments is mainly due to the acquisition by Aéroports de Paris Management of the Chilean company Nuevo Pudahel.

## Purchase of property, plant & equipment and intangible assets

The amount of purchase of property, plant and equipment and intangible assets is broken down in the table below:

<i>(in millions of euros)</i>	Notes	2016	2015 <sup>1</sup>
Purchase of intangible assets	6	(25)	(29)
Purchase of property, plant and equipment	6	(767)	(498)
<b>PURCHASE OF PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS</b>		<b>(792)</b>	<b>(527)</b>

<sup>1</sup> Restated figures as described in Note 4.1.

Details of this expenditure are as follows:

<i>(in millions of euros)</i>	2016	2015 <sup>1</sup>
Renovation and quality	(255)	(186)
Increases in capacity	(220)	(148)
Cost of studies and supervision of works (FEST)	(90)	(74)
Real estate development	(122)	(50)
Restructuring	(69)	(33)
Security	(26)	(22)
Other	(10)	(14)
<b>TOTAL</b>	<b>(792)</b>	<b>(527)</b>

<sup>1</sup> Restated figures as described in Note 4.1.

Major projects carried out by Aéroports de Paris SA at the end of December 2016 concern:

◆ investments at Paris-Charles de Gaulle Airport mainly related to:

- ◆ works on the new head office of Aéroports de Paris SA,
- ◆ Further work to set up a system of conveying, handling and increasing security of luggages at departure hall located at the east of Terminal 2E,
- ◆ rehabilitation of aircraft way 2,
- ◆ studies and preparatory work for the project to renovate terminal 2B and its junction with the terminal 2D,
- ◆ transfer of ownership of pipelines formerly operated by the SMCA,
- ◆ compliance work in order to improve the treatment of polluted water during the winter period,
- ◆ start of construction works on the long distance connecting center located in the Hall L at Terminal 2E,
- ◆ power supply of Paris-Charles de Gaulle in 225 KV,
- ◆ the deployment of selfboarding at terminal 2E,
- ◆ the redesign of the businesses in Hall K of Terminal 2E,
- ◆ the rehabilitation of the train station (RER) in Roissy-pôle;

◆ investments at Paris-Orly Airport mainly related to:

- ◆ construction of the junction between the South and West terminals,
  - ◆ completion of the construction of the extension building of the Terminal South,
  - ◆ first phase of the renovation of aircraft way 4,
  - ◆ work on the new Pavillon d'Honneur,
  - ◆ preparatory work for the renovation of aircraft way 2 and its compliance with the standards of the European Aviation Safety Agency (EASA),
  - ◆ first phase of the construction of the bridge between the Cœur d'Orly and the South terminal,
  - ◆ work in connection with the construction of the Grand Paris station,
  - ◆ the inversion of the screening and border control posts of the international departure process of the South Terminal;
- ◆ Aéroports de Paris SA has also made significant investments in its support functions and projects common to both platforms in 2016, notably the purchase of luggage inspection equipment in the next generation, and IT developments for the loyalty program

## Dividends received

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015<sup>1</sup></b>
TAV Airports (Turkey)	41	38
Schiphol Group (Netherlands)	15	11
Société de Distribution Aéroportuaire	9	6
RELAY@ADP	2	1
SETA (Mexico)	2	2
Other	1	-
<b>TOTAL</b>	<b>70</b>	<b>58</b>

<sup>1</sup> Restated figures as described in Note 4.1.

## NOTE 14 RELATED PARTIES DISCLOSURE

In accordance with IAS 24, the group discloses the following related parties:

- ◆ associated and jointly controlled companies;
- ◆ the State, public institutions and State participations;
- ◆ and its senior executives and shareholders.

Transactions with related parties are summarised as follows:

<i>(in millions of euros)</i>	Associates and jointly controlled companies		State or state participations		TOTAL GROUP	
	<b>2016</b>	<b>2015<sup>1</sup></b>	<b>2016</b>	<b>2015<sup>1</sup></b>	<b>2016</b>	<b>2015<sup>1</sup></b>
Revenue	300	301	1,261	1,251	1,561	1,552
External expenses (inc. purchases of fixed assets)	-	-	146	70	146	70
Financial assets	19	19	-	-	19	19
Other assets	49	33	226	227	275	260
Financial liabilities	-	-	-	-	-	-
Other liabilities	4	2	119	107	123	109

<sup>1</sup> Restated figures as described in Note 4.1.

### 14.1 Relations with associated or jointly controlled companies

#### CDG Express

Aéroports de Paris SA is associated with the Réseau Ferré de France (French Rail Network) and the French State through a company called CDG Express Études, whose purpose is to carry out directly or indirectly all the necessary studies to achieve the CDG Express project. This project consists of constructing a direct express rail link between Paris and Paris-Charles de Gaulle Airport.

#### Retail joint ventures

As part of the development of commercial activities, Aéroports de Paris SA and the companies Société de Distribution Aéroportuaire, RELAY@ADP and EPIGO, sign agreements permitting these companies to operate

within Paris-Orly and Paris-Charles de Gaulle airports. Transactions between Aéroports de Paris SA and these companies relate to:

- ◆ Fees collected under the operational rights granted by Aéroports de Paris SA; and
- ◆ Rents for the occupation of sales areas.

#### TAV Construction

As part of the construction of a new headquarters in Paris-Charles de Gaulle, Aéroports de Paris SA grants the construction of the building to TAV Construction and the company Hervé.



## 14.2 Relations with the State and State participations

### Relations with the State

The French State holds 50.6% of the capital of Aéroports de Paris SA and 58.6% of the voting rights as at 31 December 2016. The State is entitled in the same way as any majority shareholder to control decisions that require approval by the shareholders.

Public authorities exercise control over Aéroports de Paris SA with regard to its status as a state-owned company and with regard to its duties, in particular its public service.

In this respect, agreements are regularly concluded with the State. The most significant agreements are listed below:

- ◆ The Economic Regulation Agreement relating to the 2016-2020 signed on 31 August 2015;
- ◆ Relationship with the *Direction Générale de l'Aviation Civile* (DGAC) - public service duties such as safety assignments, air transport securities and aircraft firefighting and rescue tasks carried out by Aéroports de Paris. The costs incurred in the performance of these duties are invoiced to *Direction Générale de l'Aviation Civile* (DGAC), which funds the airport tax charged to airlines to cover these costs. In 2016, revenues linked to airport security and safety amounted to €480 million (€486 million in 2015). At 31 December 2016, the receivable from the DGAC amounts to €93 million (€103 million at 31 December 2015);
- ◆ Agreement for the provision of real estate properties, utilities (electricity, heating, water), services (telecommunications, material, administrative and intellectual assistance) and training to the Air Navigation Service Provider ("DSNA"). This agreement was concluded on 27 July 2007 for a term of 15 years.

### Relations with the Société du Grand Paris

In order to increase its passenger capacity at Paris-Orly Airport, Aéroports de Paris SA decided to construct a connecting building between the western and southern terminals of Paris-Orly Airport. Furthermore, as part of the development of the Grand Paris transport system; a metro station will be built to accommodate metro lines 14 and 18 at Paris-Orly airport. Completion is scheduled for 2024. For this purpose, two agreements have been signed between Aéroports de Paris SA and the Société du Grand Paris:

- ◆ an indemnity agreement signed on 9 January 2015, whereby the Société du Grand Paris compensates Aéroports de Paris SA for the additional costs to bear in the context of the construction of the aforementioned connecting building due to the fact that two tunnels, for Lines 14 and 18, will pass under this building. An amendment was made to this agreement on 9 August 2015;
- ◆ a joint project management agreement signed on 16 July 2015, relating to the construction at Paris-Orly Airport of a metro station to accommodate the 2 metro lines and airport facilities. Aéroports de Paris is named as the sole contractor for this project and will manage all works which are due for completion in 2024. An amendment to this agreement to clarify the terms and conditions for completion should be signed during the first half of 2017.

### Relations with Air France-KLM

Transactions with Air France-KLM primarily concern:

- ◆ the invoicing of aeronautical and ancillary fees set by the Economic Regulation Agreement pursuant to the Civil Aviation Code;
- ◆ and rental costs invoiced related to the rental of land and buildings surrounding the airports.

## 14.3 Relations with senior executives and shareholders

### Remuneration of senior executives

Senior executives at Aéroports de Paris SA are: the Chairman and Chief Executive Officer, the members of the Executive Committee and the board members appointed by the General Meeting. The remuneration granted to these executives amounted to €5.8 million in 2016, compared with €5.2 million in 2015. This change was mainly due to the addition of two additional members to executive committee. There is also one corporate officer less. This remuneration includes the short-term benefits (fixed and variable remuneration and benefits in kind), as well as the corresponding employers' fees and directors' fees.

### Relations with Vinci

Significant transactions between Aéroports de Paris SA and Vinci are mainly related to the construction of a connecting building between the western and southern terminals of Paris-Orly Airport and the partnership with Vinci Airports in the context of the Santiago de Chile International Airport concession.

## NOTE 15 OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments and contingent assets and liabilities are presented below:

<i>(in millions of euros)</i>	<b>As at 31 Dec. 2016</b>	<b>As at 31 Dec. 2015</b>
Guarantees	2	2
Guarantees on first demand	86	57
Irrevocable commitments to acquire assets	405	501
Other	160	24
<b>COMMITMENTS GRANTED</b>	<b>653</b>	<b>584</b>
Guarantees	60	54
Guarantees on first demand	233	237
Other	-	-
<b>COMMITMENTS RECEIVED</b>	<b>293</b>	<b>291</b>

Guarantees correspond mainly to securities accorded to loans to staff members, as well as guarantees accorded by Aéroports de Paris SA on behalf of ADP Ingénierie for the benefit of different customers of these subsidiaries.

Guarantees on first demand have been given only by ADP Ingénierie and Aéroports de Paris Management as part of the execution of their international contracts.

Irrevocable commitments to acquire assets which explains the main variation concern:

- ◆ works on the new head office of Aéroports de Paris;
- ◆ works on the connecting building between the western and southern terminals of Paris-Orly Airport;
- ◆ the system of conveying, handling and increasing security of luggages at departure hall located at the east of Terminal 2E.

Group's employee benefit commitments are presented in note 5.

The commitments received are mainly guarantees from the beneficiaries of AOTs (temporary authorisations to occupy public property or *Autorisation d'Occupation Temporaire du domaine public*), civil code leases, commercial concessions and suppliers.

In addition, pursuant to article 53 in the operating specifications of Aéroports de Paris SA, the minister in charge of Civil Aviation has a right of refusal regarding any contribution, disposal or grant of security involving certain plots of land – and the assets on such land – belonging to Aéroports de Paris SA. The lands concerned by this provision are listed in those same operating specifications.

The law of 20 April 2005 provides that in the event of a partial or total shutdown of air traffic at one of the airports owned by Aéroports de Paris SA, 70% of the capital gain due to the difference between the market value of the assets and the book value thereof must be paid to the French government. This provision relates in particular to the General Aviation Aerodromes.

## NOTE 16 LITIGATIONS, LEGAL AND ARBITRATION PROCEEDINGS

In accordance with IAS 37 Provisions, contingent Liabilities are defined as:

- ◆ a **possible obligation** that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group; or
- ◆ a **present obligation** that arises from past events but is not recognized because:
  - ◆ it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or
  - ◆ the amount of the obligation cannot be measured with sufficient reliability.

In the ordinary course of its business, Groupe ADP is involved in a certain number of judicial and arbitral proceedings. The group is also subject to certain claims and lawsuits which fall outside the scope of the ordinary course of its business.

The amount of provisions made is based on Groupe ADP's assessment of the level of risk on a case-by-case basis and depends on its assessment of the basis for the claims, the stage of the proceedings and the arguments in its defense, it being specified that the occurrence of events during proceedings may lead to a reappraisal of the risk at any moment.



Main litigations and arbitration proceedings presented below are accounted as liability or depending on the case constitute contingent liabilities or assets:

♦ On 13 July 2013, the Company JSC Investissements initiated an action for compensation before the Paris Commercial Court following the decision of Aéroports de Paris SA not to grant an authorization of temporary occupation of public property concerning the construction and operation of a centre for shopping and services on Paris-Charles de Gaulle Airport site. To date, discussion focused primarily on the determination of the competent jurisdiction. By decision of 4 July 2016, the Conflict Court appointed the administrative judge as sole competent to hear the dispute. By decision of 19 January 2017, the Administrative Court of Paris dismisses JSC Investissements of all its

claims. The other party may lodge an appeal within two months of notification of the decision. At this stage, the group does not expect a negative outcome of this litigation;

♦ The construction company Bechtel is subject to a claim for damage from its customer NDIA as part of the construction project of the new airport at Doha in Qatar. ADP Ingénierie as subcontractor of Bechtel in this project is being challenged by Bechtel for services performed under that contract. Bechtel has submitted to ADP Ingénierie a request to reach an amicable settlement. In view of results of risk analysis that continues at ADP Ingénierie, the group does not expect that the conclusion of this claim will have an adverse effect on its financial statements.

## NOTE 17 SUBSEQUENT EVENTS

Aéroports de Paris SA has taken note of the decision of the Autorité de Supervision Indépendante (ASI, Independent Supervisory Authority) published on 19 January 2017 not to approve the proposed aviation fee tariffs applicable from 1 April 2017. The refusal of approval was primarily motivated by a technical consideration in the fee for the provision of the computerised check-in and boarding system (CREWS).

The regulatory provisions lay down that Aéroports de Paris SA should present a new proposal for 2017 tariffs within one month of the decision

of the ASI, and that the latter is invited to issue its decision within 15 days of the new notification of tariffs.

Aéroports de Paris SA specifies that it does not anticipate any modification in the financial equilibrium of the company due to the application of the 2017 tariff grid that Aéroports de Paris SA is willing to propose to the ASI.

## NOTE 18 AUDITOR'S FEES

The amounts of auditors' fees recorded in Aéroports de Paris SA and subsidiaries are as follows:

(in thousands of euros)	As at 31 Dec. 2016			As at 31 Dec. 2015		
	DELOITTE	KPMG	EY	DELOITTE	KPMG	EY
♦ Parent company	380	-	358	380	-	529
♦ Fully consolidated subsidiaries	195	71	145	61	174	98
<b>Audit, certification, inspection of individual and consolidated financial statements:</b>	<b>575</b>	<b>71</b>	<b>503</b>	<b>441</b>	<b>174</b>	<b>627</b>
♦ Parent company	4	-	111	28	40	28
♦ Fully consolidated subsidiaries	79	19	135	-	8	319
<b>Other inspections and services directly relating to the audit function:</b>	<b>83</b>	<b>19</b>	<b>246</b>	<b>28</b>	<b>48</b>	<b>347</b>
<b>TOTAL</b>	<b>658</b>	<b>90</b>	<b>749</b>	<b>469</b>	<b>222</b>	<b>974</b>

The other inspections and services directly relating to the audit function mainly concern services provided by the Statutory Auditors related to acquisition or disposal projects of the group and certificates.

20

## NOTE 19 COMPANIES WITHIN THE SCOPE OF CONSOLIDATION

Entity	Address	Country	% stake	% control	Subsidiary of
Aéroports de Paris SA (Multi activities)	291 boulevard Raspail 75014 PARIS	France	PARENT	PARENT	
<b>Fully Consolidated Subsidiaries</b>					
<b>International and airport developments</b>					
ADP Ingénierie	Aéroport d'Orly Parc central Zone sud - Bâtiment 641 91200 ATHIS-MONS	France	100%	100%	Aéroports de Paris SA
ADPi Middle East	Immeuble Baz - Rue Sursock BEYROUTH	Lebanon	100%	100%	ADP Ingénierie
ADPi Libya	El Nasser Street TRIPOLI	Libya	65%	65%	ADP Ingénierie
ADPi (Beijing) Architects and Engineers Design Co	ADPi Architects and Engineers Design Co, LTD Unit 1407A - No A302 Hua Teng Tower Jinsong 3 <sup>rd</sup> zone Chaoyang District Beijing	China	100%	100%	ADP Ingénierie
Aéroports de Paris Management	291 boulevard Raspail 75014 PARIS	France	100%	100%	Aéroports de Paris SA
Jordan Airport Management	Ali Sharif Zu'bi Law Office PO Box 35267 AMMAN 11180	Jordan	100%	100%	ADP Management
ADPM Mauritius	C/o Legis Corporate Secretarial Services Ltd 3 <sup>rd</sup> Floor, Jamalacs Building, Vieux Conseil Street, PORT-LOUIS	Mauritius	100%	100%	ADP Management
AMS - Airport Management Services (OSC)	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	75%	60%	ADP Management
Tank Öwa Alpha GmbH	Teinfaltstrasse 8/4 A-1010 Vienna, AUSTRIA	Austria	100%	100%	Aéroports de Paris SA
Tank Öwc Beta GmbH	Teinfaltstrasse 8/4 A-1010 Vienna, AUSTRIA	Austria	100%	100%	Aéroports de Paris SA
<b>Other activities</b>					
Hub One	à compter du 2 février 2017 Bâtiment Mercure - Continental Square 1 place de Londres 93290 TREMBLAY-EN-FRANCE	France	100%	100%	Aéroports de Paris SA
Hub One Mobility	5 route du Paisy 69570 Dardilly	France	100%	100%	Hub One
Hub Safe	Roissypole - Le Dôme 4 rue de la Haye 93290 TREMBLAY-EN-FRANCE	France	100%	100%	Aéroports de Paris SA
Hub Safe Nantes	Roissypole - Le Dôme 4 rue de la Haye 93290 TREMBLAY-EN-FRANCE	France	100%	100%	Hub Safe
Hub Safe Training	Roissypole - Le Dôme 4 rue de la Haye 93290 TREMBLAY-EN-FRANCE	France	100%	100%	Hub Safe
Hub Safe Régional	Roissypole - Le Dôme 4 rue de la Haye 93290 TREMBLAY-EN-FRANCE	France	100%	100%	Hub Safe
Hub Safe Event	Roissypole - Le Dôme 4 rue de la Haye 93290 TREMBLAY-EN-FRANCE	France	100%	100%	Hub Safe
Média Aéroport de Paris	17 rue Soyier 92200 Neuilly sur Seine	France	50%	50%	Aéroports de Paris SA



Entity	Address	Country	% stake	% control	Subsidiary of
<b>Real estate</b>					
Cœur d'Orly Investissement	Orlytech - Bat. 532 5 allée Hélène Boucher 91550 PARAY-VIELLE-POSTE	France	100%	100%	Aéroports de Paris SA
Cœur d'Orly Commerces Investissement	Orlytech - Bat. 532 5 allée Hélène Boucher 91550 PARAY-VIELLE-POSTE	France	100%	100%	Cœur d'Orly Investissement
Roissy Continental Square	291 boulevard Raspail 75014 PARIS	France	100%	100%	Aéroports de Paris SA
Ville Aéroportuaire Immobilier	291 boulevard Raspail 75014 PARIS	France	100%	100%	Aéroports de Paris SA
Ville Aéroportuaire Immobilier 1	291 boulevard Raspail 75014 PARIS	France	100% <sup>1</sup>	100%	Ville Aéroportuaire Immobilier
Aéroports de Paris Investissement	Orlytech - Bat. 532 5 allée Hélène Boucher 91550 PARAY-VIELLE-POSTE	France	100%	100%	Aéroports de Paris SA
Aéroports de Paris Investissement Nederland Bv	Locatellikade 1 1076AZ AMSTERDAM	Netherlands	100%	100%	ADP Investissement
SCI ROMEO	291 boulevard Raspail 75014 PARIS	France	100%	100%	ADP Investissement
SAS HOTEL RO 3	291 boulevard Raspail 75014 PARIS	France	100%	100%	Roissy Continental Square
<b>Aviation</b>					
Fondation d'entreprise Aéroports de Paris	291 boulevard Raspail 75014 PARIS	France	100%	100%	Aéroports de Paris SA
<b>CO-ENTREPRISE (Integrated up to group's share of balance sheet and profit &amp; loss)</b>					
<b>Other activities:</b>					
CDG Express Études	291 boulevard Raspail 75014 PARIS	France	33%	33%	Aéroports de Paris SA

<sup>1</sup> The group holds 60% of the capital of Ville Aéroportuaire Immobilier 1 and has a put and call option agreement over the remaining 40%. The analysis of this agreement leads to retain 100% ownership interest.

Entity	Address	Country	% stake	% control	Holding of
<b>ASSOCIATES (operating entities)</b>					
<b>International and airport developments</b>					
Schiphol Group	Evert van de Beekstraat 202 1118CP LUCHTHAVEN SCHIPHOL	Netherlands	8%	8%	Aéroports de Paris SA
TAV Havalimanlari Holding (TAV Airports)	Istanbul Ataturk Airport international terminal 34149 Yesilkoy - ISTANBUL	Turkey	38%	38%	Tank Öwa Alpha Gmbh
TAV Yatirim Holding (TAV Construction)	Istanbul Ataturk Airport international terminal 34149 Yesilkoy - ISTANBUL	Turkey	49%	49%	Tank Öwa Beta Gmbh
MZLZ Retail Ltd	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	50%	50%	Société de Distribution Aéroportuaire
Sociedad Concesionaria Nuevo Pudahuel SA (SCNP)	Aeropuerto Internacional Arturo Merino Benítez de Santiago, Rotonda Oriente, 4° piso, comuna de Pudahuel, Santiago, Chili	Chile	45%	45%	ADP Management
Zaic-A Limited	1 Park Row, Leeds, LS1 5AB, United Kingdom	United Kingdom	26%	21%	ADP Management & TAV Airports
Upravitelj Zračne Luke Zagreb	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	26%	21%	Zaic-A Limited
Medunarodna Zračna Luka Zagreb	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	26%	21%	Zaic-A Limited
Consorcio PM Terminal Tocumen SA	Terminal Sur S.A. AV DOMINGO DIAZ Panama, Rep. De Panama	Panama	36%	36%	ADP Ingénierie
Ravinala Airports	Escalier C, Zone Tana Water Front - Ambodivona 101 Antananarivo, Madagascar	Madagascar	35%	35%	ADP Management
<b>Real estate</b>					
Transport Beheer	Haarlemmermeer de Beekstraat 314 1118CX SCHIPHOL AIRPORT	Netherlands	40%	40%	ADP Investissement
Transport CV	Haarlemmermeer de Beekstraat 314 1118CX SCHIPHOL AIRPORT	Netherlands	40%	40%	ADP Investissement Bv
SCI Cœur d'Orly Bureaux	8 avenue Delcasse 75008 PARIS	France	50%	50%	Cœur d'Orly Investissement
SNC Cœur d'Orly Commerces	8 avenue Delcasse 75008 PARIS	France	50%	50%	Cœur d'Orly Comm. Invest.
<b>Retail and services</b>					
Société de Distribution Aéroportuaire	114 avenue Charles de Gaulle 92200 NEUILLY-SUR-SEINE	France	50%	50%	Aéroports de Paris SA
RELAY@ADP	55 rue Deguingand 92300 Levallois Perret	France	50%	50%	Aéroports de Paris SA
ADPLS Présidence	291 boulevard Raspail 75014 PARIS	France	50%	50%	Aéroports de Paris SA
EPIGO Présidence	3 place de Londres - bâtiment Uranus - Continental Square 1 - Aéroport Roissy Charles de Gaulle - 93290 Tremblay en France	France	50%	50%	Aéroports de Paris SA
EPIGO	3 place de Londres - bâtiment Uranus - Continental Square 1 - Aéroport Roissy Charles de Gaulle - 93290 Tremblay en France	France	50%	50%	Aéroports de Paris SA



Entity	Address	Country	% stake	% control	Holding of
<b>ASSOCIATES (non-operating entities)</b>					
<b>Real estate</b>					
SCI Roissy Sogaris	Avenue de Versailles RN 186 94150 RUNGIS	France	40%	40%	Aéroports de Paris SA
<b>International and airport developments</b>					
Liège Airport	Aéroport de Bierset 4460 GRÂCE-HOLLOGNE	Belgium	26%	26%	ADP Management
<b>Other activities</b>					
Alacrité	299 boulevard de Leeds – World Trade center Lille Services SAS espace International – 59777 Euralille	France	24%	24%	Hub One

As part of its development, the group has to take stakes in airports companies or creating subsidiaries dedicated to the exercise of its activities in France and abroad, and, in particular, the execution of services contracts. These entities represent individually less than 1% of consolidated revenue, operating income and net income for the period.

Entity	Activities	Country	% ownership	Owned by
<b>INVESTMENTS IN COMPANIES NOT RELEVANT TO THE SCOPE (without activity or negligible activity)</b>				
<b>International and airport developments</b>				
ADPM 1	For airport operations	France	100%	Aéroports de Paris Management
ADPM 2	For airport operations	France	100%	Aéroports de Paris Management
ADPM 3	For airport operations	France	100%	Aéroports de Paris Management
Philippines Airport Management Company	For airport operations	France	50%	Aéroports de Paris Management
SOGEAC	Concession of Conakry airport	Guinea	29%	Aéroports de Paris Management
LGA Central Terminal LLC	Created for the submission of tenders for the concession of LaGuardia in New York	United States of America	15%	Aéroports de Paris Management
ATOL	Concession of International Airport	Mauritius	10%	Aéroports de Paris Management
Airport International Group	Concession of Amman Airport	Jordan	10%	Aéroports de Paris Management
Matar	Operating contract of the Hadj terminal in Djeddah	Saudi Arabia	5%	Aéroports de Paris Management
U&A Architects & Engineers Co Ltd	Engineering, technical studies	China	40%	ADP Ingénierie
<b>Other activities</b>				
Cargo Information Network France	Computer programming	France	50%	Aéroports de Paris
C2FPA	Airport Fire Training Center	France	21%	Aéroports de Paris
CCS France	Computer programming	France	20%	Aéroports de Paris
IDF Capital	Capital risk in Île-de-France	France	1%	Aéroports de Paris
Civipol Conseil	Promotion of the Ministry of Interior skills	France	1%	Aéroports de Paris
PACIFA	Software company	France	12%	Aéroports de Paris
Pole Star	Engineering, technical studies	France	13%	Hub One
Bolloré Télécom	Telecommunications	France	2%	Hub One
SoftToGo	Portage of software	Argentina	95%	Hub One

## 20.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

*This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English-speaking users.*

*The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.*

*This report also includes information relating to the specific verification of information given in the group's management report.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

Year ended 31 December 2016

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended 31 December 2016, on:

- ◆ the audit of the accompanying consolidated financial statements of Aéroports de Paris;
- ◆ the justification of our assessments;
- ◆ the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

### I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group as at 31 December 2016 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

### II. Justification of assessments

In accordance with article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- ◆ Note 1.1 to the consolidated financial statements describes the basis of preparation of the consolidated financial statements, including the items which require from management to make judgments, estimates and assumptions that impact accounting policies and the reported amounts of assets, liabilities, income and expenses. We have assessed the accounting methods adopted used by your group to ensure that the judgments, estimates and assumptions used were appropriate and consistently implemented;

- ◆ Note 6.2 to the consolidated financial statements describes specifically the accounting policies and methods used to measure property, plant and equipment and record impairment. Note 6.3 to the consolidated financial statements describes the valuation method used for investment properties. Investment properties are presented on a separate line in the consolidated balance sheet and are measured under the cost model, in accordance with IAS 40. The fair value of investment properties, disclosed in note 6.3.2 to the consolidated financial statements, is based on a combined method depending on expert appraisals and discounted cash flow generated by asset projections for investment properties that have not been appraised by experts. We have examined the methods used by your group to carry out these valuations, and have verified their implementation on the basis of the information available. We have also verified that notes 6.2 and 6.3 to the consolidated financial statements provide as a whole appropriate disclosure;

- ◆ Note 4.10.2 to the consolidated financial statements describe the principles and methods used to carry out impairment tests on investments in associates. We have examined the methods used by the group for carrying out impairment tests and the overall consistency of the assumptions used and of the forecasts of cash flow. We have also verified that notes 4.10 to the consolidated financial statements provide as a whole appropriate disclosure;

- ◆ Note 4.3 to the consolidated financial statements set out accounting principles and methods used to account for revenue and in particular revenue from airport safety and security services as "Revenue" in the consolidated income statement. As part of our assessment of the accounting rules and principles used by your group, we have verified that these principles were appropriate and had been correctly applied.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

### III. Specific verification

As required by law, we have also verified, in accordance with professional standards applicable in France, the information relating to the group in the management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, March 8, 2017

The statutory auditors

*French original signed by*

DELOITTE & ASSOCIÉS

Thierry Benoît

Olivier Broissand

ERNST & YOUNG Audit

Jacques Pierres

Alban de Claverie

## 20.3 COMPANY FINANCIAL STATEMENTS AND NOTES OF AÉROPORTS DE PARIS SA AT 31 DECEMBER 2016

### Income Statement

<i>(in millions of euros)</i>	Notes	2016	2015
Revenue	5.1	2,744	2,735
Changes in finished goods inventory	5.2	6	-
Capitalised production	5.3	56	47
Reversal of provisions and expense transfers	5.7	46	32
Capital grants amortisation		2	1
Other operating income		14	4
<b>Operating income</b>		<b>2,868</b>	<b>2,820</b>
Purchases and external expenses	5.4	(818)	(782)
Taxes other than income taxes	5.5	(251)	(230)
Employee benefit costs	5.6	(585)	(590)
Other operating expenses		(24)	(18)
Depreciation, Amortisation and provision	5.7	(471)	(464)
<b>Operating expenses</b>		<b>(2,148)</b>	<b>(2,085)</b>
<b>Operating income</b>		<b>719</b>	<b>734</b>
Financial income		70	110
Financial expenses		(143)	(156)
<b>Financial income</b>	<b>5.9</b>	<b>(72)</b>	<b>(46)</b>
<b>Income before tax</b>		<b>648</b>	<b>688</b>
Extraordinary income		120	72
Extraordinary expenses		(132)	(111)
<b>Extraordinary income</b>	<b>5.10</b>	<b>(12)</b>	<b>(39)</b>
Employees' profit sharing	5.11	(22)	(20)
Income taxes	5.8	(214)	(233)
<b>NET INCOME</b>		<b>399</b>	<b>397</b>



## Assets

(in millions of euros)	Notes	As at 31 Dec. 2016			As at 31 Dec. 2015
		Gross Amount	Amortization or depreciation	Net amount	
Intangible assets	6.1	242	(183)	59	80
Property, plant and equipment	6.1	11,509	(5,722)	5,787	5,798
Fixed assets under construction	6.1	792	-	792	494
Advances and deposits	6.1	37	-	37	39
Financial assets	6.2	1,428	(65)	1,363	1,355
<b>I - Fixed assets</b>		<b>14,008</b>	<b>(5,970)</b>	<b>8,038</b>	<b>7,767</b>
Inventories		16	-	16	11
Advances and deposits		16	-	16	16
Trade receivables	6.3	460	(19)	441	422
Other receivables	6.3	145	(18)	127	110
Marketable securities	6.4	1,566	-	1,566	1,601
Cash	6.4	63	-	63	116
Prepaid expenses	6.5	15	-	15	18
<b>II - Current assets</b>		<b>2,281</b>	<b>(37)</b>	<b>2,244</b>	<b>2,295</b>
<b>III - Bond redemption premiums</b>	<b>6.6</b>	<b>15</b>	<b>-</b>	<b>15</b>	<b>17</b>
<b>IV - Translation adjustments - Assets</b>		<b>4</b>	<b>-</b>	<b>4</b>	<b>1</b>
<b>TOTAL ASSETS</b>		<b>16,308</b>	<b>(6,007)</b>	<b>10,301</b>	<b>10,080</b>

## Liabilities

(in millions of euros)	Notes	As at 31 Dec. 2016	As at 31 Dec. 2015
Share capital		297	297
Premiums		543	543
Revaluation difference		24	24
Reserves and retained earnings		1,922	1,786
Profit/loss for the period		399	396
Interim dividend		(69)	(70)
Investment grants		43	42
Regulated provisions		1,140	1,104
<b>I - Equity</b>	<b>6.7</b>	<b>4,298</b>	<b>4,121</b>
<b>II - Provisions</b>	<b>6.8</b>	<b>434</b>	<b>430</b>
Financial debt	6.9	4,446	4,445
Trade payables and related accounts	6.10	181	202
Tax and employee-related liabilities	6.10	261	286
Debts on fixed assets and other liabilities	6.11	523	451
Deferred income	6.5	158	145
<b>III - Debts</b>		<b>5,569</b>	<b>5,529</b>
<b>IV - Bond redemption premiums</b>		<b>-</b>	<b>-</b>
<b>V - Translation adjustments - Liabilities</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>10,301</b>	<b>10,080</b>

## Cash flow statement

<i>(in millions of euros)</i>	Notes	2016	2015
<b>Operating income</b>		<b>719</b>	<b>734</b>
Net depreciation and provisions for liabilities and expenses		439	435
Financial income and expenses (excluding debt)		8	5
<b>Change in working capital</b>	<b>7.1</b>	<b>(79)</b>	<b>24</b>
Tax expenses paid minus tax received		(221)	(229)
<b>Cash flows from operating activities</b>		<b>867</b>	<b>970</b>
Proceeds from sale of subsidiaries		3	5
Acquisition of subsidiaries	6.2	(9)	(15)
Purchase of property, plant, equipment and intangible assets	6.1	(774)	(509)
Change in other financial assets		(6)	(5)
Proceeds from sales of fixed assets (net of the change in receivables)		27	6
Dividends received	5.9	32	60
Change in debt and advances on asset acquisitions		29	75
<b>Cash flows from investing activities</b>		<b>(698)</b>	<b>(383)</b>
Capital grants received in the period		15	4
Net disposal (purchase) of treasury shares		12	(24)
Dividends paid	6.7	(258)	(311)
Proceeds from long-term debt	6.9	7	503
Repayment of long-term debt	6.9	(4)	(172)
Change in other financial liabilities		93	(23)
Net financial interest paid		(109)	(100)
<b>Cash flows from financing activities</b>		<b>(244)</b>	<b>(122)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(75)</b>	<b>462</b>
Cash and cash equivalents at opening		1,692	1,228
Cash and cash equivalents at closing	7.2	1,617	1,692



## Notes to the Company financial statements

### // DETAILED SUMMARY OF THE NOTES TO THE COMPAGNY FINANCIAL STATEMENTS

<b>NOTE 1</b>	<b>DESCRIPTION OF ACTIVITY</b>	<b>225</b>	<b>NOTE 7</b>	<b>NOTES TO THE CASH FLOW STATEMENT</b>	<b>246</b>
<b>NOTE 2</b>	<b>RELATIONS WITH THE SUBSIDIARIES</b>	<b>226</b>	<b>NOTE 8</b>	<b>OFF BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES</b>	<b>247</b>
<b>NOTE 3</b>	<b>SIGNIFICANT EVENTS</b>	<b>226</b>	<b>NOTE 9</b>	<b>REMUNERATION AND HEADCOUNT</b>	<b>248</b>
<b>NOTE 4</b>	<b>ACCOUNTING PRINCIPLES APPLIED TO THE FINANCIAL STATEMENTS</b>	<b>226</b>	<b>NOTE 10</b>	<b>TRANSACTIONS WITH RELATED COMPANIES AND PARTIES</b>	<b>248</b>
<b>NOTE 5</b>	<b>NOTES TO THE INCOME STATEMENT</b>	<b>230</b>	<b>NOTE 11</b>	<b>SUBSEQUENT EVENTS</b>	<b>24</b>
<b>NOTE 6</b>	<b>NOTES TO THE BALANCE SHEET</b>	<b>235</b>			

## NOTE 1 DESCRIPTION OF ACTIVITY

Aéroports de Paris owns and operates the three main airports in the Paris region (Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget), 10 general aviation aerodromes and the Issy-les-Moulineaux heliport.

Its business lines are primarily the following:

- ◆ Aviation activities - As an airport operator, Aéroports de Paris is involved in all stages of the journey through the airport of passengers and goods, by optimising the flow of aircraft and of cargo, as well as passenger flows, security checkpoints and baggage;
- ◆ To do this, the company:
  - ◆ continuously improves the quality of its aeronautical infrastructure and relevant access points in compliance with the investment programme outlined in the Economic Regulation Agreement "ERA", and
  - ◆ offers a range of services adapted to the needs of passengers, airlines and freight operators;
- ◆ Retail and services - As a lessor, land developer, business sponsor and manager, Aéroports de Paris is involved in the operations:
  - ◆ of shops, bars and restaurants within airport terminals, through joint ventures (such as Société de Distribution Aéroportuaire, Média Aéroports de Paris and Relay@ADP),
  - ◆ of car parks and rental premises in airport terminals;
- ◆ Real estate - Aéroports de Paris has considerable land reserves and has full ownership over high quality assets surrounding its terminals. This enables the company to:

- ◆ manage real estate projects to meet its own needs and those of businesses seeking to establish operations within its airports; and
- ◆ manage assets (business strategy, refurbishments), lease management (generally long-term leases), and offer real estate services to its customers.

Additionally, Aéroports de Paris has shareholdings in businesses that work in airport activity (design, construction and operation) in France and abroad.

Aéroports de Paris has been a public limited company since 22 July 2005 and operates under regulated conditions. The second multi-annual agreement, known as the "Economic Regulation Agreement" or "ERA", sets the cap for airport fees for the 2011-2015 period. Under these regulations, the airport operator receives a fair return for capital invested as part of its missions within the regulated scope. This scope includes all Aéroports de Paris activities at airports in the Paris region with the exception of business and services activity, non-airport-related land and real estate activity and safety or security activity financed by the airport tax. Also included in this scope is Aéroports de Paris' management of local resident assistance with soundproofing, and other activities carried out by subsidiaries.

20

## NOTE 2 RELATIONS WITH THE SUBSIDIARIES

### 2.1 Tax consolidation

Aéroports de Paris operates under a tax consolidation system with companies in which it directly or indirectly holds over 95% of the share capital. (cf note 6.2 Table of subsidiaries and shareholdings).

The tax consolidation conventions that link Aéroports de Paris to its subsidiaries are all strictly identical and state:

- ◇ that the subsidiary is to pay the parent company the same amount as the tax it would have otherwise paid had it been taxable separately;
- ◇ that the subsidiary is not entitled to any debt rights in the event of the latter having a tax deficit.

### 2.2 Cash management

Aéroports de Paris and its main subsidiaries have drawn up agreements to implement a centralised cash management system, otherwise known as cash pooling agreements. These cash pooling agreements stipulate that cash operations are to be pooled under a centralising account.

This pooling, which is achieved by automatically equalising subsidiary accounts to the centralising account on a daily basis, ensures the best possible management of both loan support and investment of surplus cash.

Euro payments made in advance by Aéroports de Paris to the subsidiaries bear monthly interest at the EONIA rate +0.65%. Those made by the subsidiaries to Aéroports de Paris bear monthly EONIA interest rates.

Advance payments in US dollars are remunerated at the LIBOR overnight rate +0.65%, if made by Aéroports de Paris or LIBOR overnight -0.07%, if made by the subsidiaries.

It is specified that if EONIA and/or LIBOR overnight minus the spread of -0.07% rates were to become negative, monthly rates for advance payments would have an upper limit of 0%.

Current accounts as part of the cash pooling agreements between Aéroports de Paris and its subsidiaries are presented as "other debts" when there is a credit balance and as "other receivables" when there is a debit balance.

## NOTE 3 SIGNIFICANT EVENTS

### Merger by absorption of Tank Holding ÖW

Aéroports de Paris SA has initiated a transnational merger procedure in order to absorb Tank Holding ÖW, a company which indirectly owns TAV Airports and TAV Construction. The merger became effective on the issuance date of the certificate of legality i.e 23 December 2016.

Given that ADP SA wholly owned Tank Holding ÖW, the merger was operated under the simplified merger regime.

The difference between the book value of securities in ADP SA accounts and the book value of assets and liabilities from the absorbed company generated a €23 million asset ("technical loss on merger") as of 31 December 2016.

## NOTE 4 ACCOUNTING PRINCIPLES APPLIED TO THE FINANCIAL STATEMENTS

### 4.1 Accounting principles

Aéroports de Paris' annual accounts are drawn up in compliance with accounting principles and methods defined in regulation no. 2014-03 of the Accounting Regulatory Committee of 5 June 2014 and modified by the regulation ANC 2015-06.

### 4.2 Changes in accounting principles and comparability of periods

New developments introduced by the ANC 2015-06 regulation applicable prospectively as from the financial year opened on 1 January 2016 concern the evolution of the technical loss on merger. New rules led to a reallocation of the Aéroports de Paris's business assets:

- ◇ Technical loss on merger is allocated on specific accounts in the same aggregate than the assets to which they are allocated to (tangible, intangible, financial or current assets). It is amortized, depreciated and written-off under the same conditions than their underlying assets.

### 4.3 Revenues

ADP SA revenue breaks down as follows:

#### Airport and ancillary fees

The pricing of these fees is governed by the Economic Regulation Agreement (ERA) for the 2016-2020 period signed with the French State (except for the service fee for assistance to the disabled people and those with reduced mobility). This multi-annual agreement sets the cap for airport fees for the 2016-2020 period. Under these regulations, the airport operator receives a fair return on capital invested as part of its missions within the regulated scope. This scope includes all Aéroports de Paris activities at airports in the Paris region with the exception of activities related to retail and services, land and real estate activities that are not aviation-related, activities linked to security and safety financed by the airport tax. Also included in this scope is the management by Aéroports de Paris SA of assistance with soundproofing for local residents.

Fees are recorded for the period during which the service is provided.

**Airport fees** include fees per passenger, landing fees and parking fees, calculated respectively according to the number of boarded passengers, parking time and the weight of the aircraft.



**Ancillary fees** include fees for the provision of facilities such as check-in and boarding desks, baggage sorting facilities and fixed installations for the supply of electricity; fees for support services for disabled people and those with reduced mobility; and other ancillary fees linked to check-in and boarding technology, airport circulation (badges), and the use of solid waste shredding and de-icing stations.

## Revenue from airport safety and security services

Aéroports de Paris SA receives revenue within the context of its public service mission for security, air transport safety, rescue and firefighting of aircrafts. This revenue covers the costs incurred in this mission. It is paid by the *Direction Générale de l'Aviation Civile* (DGAC) which funds it through the airport security tax levied on airlines companies. This revenue is recognized as the estimated costs eligible for reimbursement by the DGAC are incurred.

## Revenue from retail and services

Revenue from retail and services is comprised of variable rents paid by business activities (shops, bars and restaurants, advertising, banks and currency exchange, car rental agencies, other terminal rentals) that are accounted for as income for the financial year in which it was generated; and rental income which corresponds to the fixed income received attached to leased areas in airports. This aggregate also includes the revenue related to the construction of a metro station in Paris-Orly on behalf of the company "Société du Grand Paris". As studies and works of the metro station will be carried out over the period from 2016 to 2024, Aéroports de Paris SA recognize the revenue using the percentage of completion method. In so far as the overall profit or loss on completion of this project cannot be reliably determined, the revenue is taken account in the limit of the costs incurred.

## Revenue from car parks and access routes

Revenue concerns mainly the management of car parks and access (roads, shuttles, bus stations etc.) and is recorded when the customer is using the service.

## Amortisation and depreciation

The amortisation of fixed assets is determined by the rhythm of consumption of economic benefits. This is generally on a straight-line basis.

The expected useful lives for the main assets are the following:

Software, patent and licenses	4 to 10 years
Airport terminal and underground car park buildings	30 to 60 years
Non-terminal buildings	20 to 50 years
Airport terminals and non-terminal furnishings	10 to 20 years
Land development	20 years
Turning areas, aprons, bridges, tunnels, roads	10 to 50 years
Baggage handling equipment and facilities	10 to 20 years
Airbridges	20 to 25 years
Security and safety facilities and equipment	5 to 20 years
Computer hardware	5 years

## Revenue from industrial services

Industrial services comprise: production and supply of heat for heating purposes, production and supply of cool air for air-conditioned facilities and chilled water distribution networks, the supply of drinking water and waste water collection, waste collection and the supply of electrical current. This revenue is accounted for during the period in which the service was provided.

## Real estate revenue

Real estate revenue is comprised of rental income from real-estate shares related to airport activity (except airports) and diversified real estate. This revenue is derived from operating leases. Fixed payments are on a straight-line basis over the term of the lease. Rental charges due from tenants are accounted for as rental income.

## Other revenue

Other revenue include:

Financial income generated as the lessor on financial leases is recognized as revenue in order to provide an accurate picture of the financial performance, notably in the real estate segment, where these proceeds are recognized.

## 4.4 Fixed assets

### Gross value

Intangible and tangible fixed assets are valued at cost.

Assets produced in-house include all costs directly linked to producing and putting the relevant asset into operation. These costs include:

- ◇ The acquisition cost of goods used to construct the asset;
- ◇ The cost of employees involved in the construction and commissioning of the asset;
- ◇ Other essential and unavoidable costs towards producing and putting the asset into operation for the purposes of the company's intended use.

Useful lives are re-evaluated at each year-end based on the investment and continuation programme for existing assets.

Fixed assets are tested for depreciation whenever there are indications that their value may be impaired.

Aéroports de Paris uses options provided within tax legislation in terms of accelerated depreciation. The difference between tax depreciation and straight-line depreciation is accounted for as a regulated provision on the balance sheet.

## 4.5 Financial assets

Equity securities are entered on the balance sheet at their acquisition cost without acquisition fees.

Their value is examined at the end of each period by referencing the value in use. This is estimated on the share of equity that the securities represent, translated at the year-end exchange rate for foreign companies and rectified, if necessary, to account for the embedded value of the companies. The methods used to evaluate the latter take particular account of forecast cash flows and comparable multiples.

If the value in use of these securities becomes inferior to their accounting value, a depreciation for the difference is recorded.

Loans and receivables are entered at their nominal value plus accrued interest. A depreciation may, if necessary, be recorded in the case of probable loss characterised by a decrease in repayment nominal value.

Following the adoption of the ANC 2015-06, technical losses on merger allocated to financial assets, which were formerly classified as intangible assets until 2015 year-end, are since 1 January 2016 classified in the "Other financial assets" caption. These items are made of the discrepancy between the net assets received and the book value of securities of the merged company. Once a year, these technical losses are submitted to an impairment test and if need be, a depreciation is booked permanently. Indeed depreciation on technical losses cannot be reversed.

## 4.6 Inventories

Inventories are composed of consumable goods- such as spare parts, safety components, small maintenance equipment and production, in stock to be charged to third parties. Spare parts and maintenance equipment are recorded at their cost of acquisition and are measured at the weighted average cost. Engineering studies are valued at full cost.

If the net realizable value of the stocked item falls below the average weighted cost, depreciation is recorded for the difference.

## 4.7 Receivables

Receivables are valued at their nominal value. Those in foreign currency are converted at the closing exchange rate, for the non-written down part of the receivables.

These receivables may be written down to take into account the difficulty of recovery, in application of the following method:

- ◇ unrecovered debts are transferred to bad debts if they are unbalanced on the date of the opening of a recovery or judicial liquidation procedure, and when the risk of non-recoverability is significant (predictable voluntary liquidation, cessation of activity of foreign customers);

- ◇ bad or litigious debts are written down following the status of each accounting document (debt prior to voluntary liquidation, claim pending, litigation, etc.) or the solvency of the customer for debts due (legal proceedings pending, foreign customers without assets in France, etc.).

## 4.8 Marketable securities

Securities are accounted for at their historical acquisition value. When the liquidation value of these securities is greater than the purchase price, it cannot be used as carrying value in the balance sheet; otherwise, any unrealised loss results in a write-down.

## 4.9 Issuance expenses and redemption premiums of bonds

Expenses for the issuance of bonds are directly entered as financial expenses on the date of issuance. When the issuance price is lower than the redemption value, the difference is recognised as an asset and is entered as a financial expense spread across the duration of the loan.

## 4.10 Prepaid expenses and deferred income

Payables entered that relate to commodities or services not yet received are entered on the assets side of the balance sheet under "Prepaid expenses".

Payables entered that relate to commodities or services not yet delivered are entered on the liabilities side of the balance sheet under "Deferred income".

## 4.11 Asset and liability translation differences

On the closing date for the group financial statements, when the applied exchange rate has modified the euro amounts previously entered, the translation differences are entered on the assets side of the balance sheet when the difference is an unrealised loss and on the liabilities side of the balance sheet when the difference is an unrealised gain. A provision for exchange rate risk is entered for unrealised losses.

## 4.12 Investment subsidies

Aéroports de Paris is allocated equipment subsidies in order to acquire or create fixed assets. The subsidies are entered under equity and are recorded in tandem with the depreciation schedule of the associated assets.

## 4.13 Regulated provisions

Regulated provisions consist mainly of accelerated depreciations. These additional depreciations are recorded with the sole aim of obtaining tax benefits and do not reflect any depreciation of the underlying asset. They are entered as equity under the "regulated provisions" section to compensate for the extraordinary income.

## 4.14 Provisions for risks and expenses

Provisions for risks and expenses are mainly comprised of employee benefit provisions, which cover staff benefits on a long-term basis.

### Long-term staff benefits

Employee benefit provisions cover defined benefit schemes and other long-term benefits but do not cover defined contribution schemes.



## DEFINED BENEFIT SCHEMES

Aéroports de Paris funds all of the following defined benefit schemes in order to meet its employee benefit obligations:

- ◇ retirement benefit schemes;
- ◇ mutual health insurance for the retired;
- ◇ PARDA pre-retirement scheme;
- ◇ three additional retirement benefit schemes;
- ◇ Rewards for long-service.

The company's net obligation regarding defined benefit schemes is evaluated separately for each scheme. This is done by estimating the amount of future benefits acquired by employees in exchange for services rendered during the current and past periods. This amount is updated in order to determine its current value, and reduced by the fair value of the scheme's assets and unrecognised past service costs. The discount rate is equal to the rate, at the closing date, based on high-quality bonds with a maturity date close to that of the company's commitments. A qualified actuary performs the calculations by using the projected unit credit method.

The fraction of cumulative unrecognised actuarial differences exceeding 10% of the highest amount between the bond's current value for defined schemes and the fair value of the scheme's assets are entered on the profit and loss statement over the expected average remaining working lives of employees participating in the scheme.

The actuarial assumptions are outlined in note 6.8.

## OTHER LONG-TERM BENEFITS

Aéroports de Paris also funds other long-term benefits such as the PARDA pre-retirement scheme and long-service awards. The company's net obligation regarding long-term benefits, other than retirement schemes, is equal to the amount of future benefits acquired by employees in exchange for services rendered during the current and past periods. These benefits are discounted and deducted, if necessary, from the fair value of the scheme assets. The discount rate is equal to the interest rate, at the closing date, based on high-quality bonds with maturity dates close to those of the company's commitments. The amount of the obligation is determined by using the projected unit credit method. Actuarial differences are entered on the profit and loss statement during the period in which they occur.

## DEFINED CONTRIBUTION SCHEMES

Defined benefit schemes are post-employment benefit schemes whereby an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay any additional contributions. The contributions to be paid to a fixed contributions scheme are entered as expenses linked to employee benefits when they are due. Contributions paid in advance are recorded as an asset to the extent that a cash refund or a reduction in future payments is available.

## Other provisions for liabilities and expenses

Other provisions for liabilities and expenses are intended to cover liabilities inherent in the company's line of business, liabilities resulting from litigation, fines or penalties.

These provisions are accounted for when they meet the following criteria:

- ◇ There is an obligation towards a third party arising from a past event
- ◇ Where it is likely or certain that it will result in a disbursement of funds to the benefit of that third party with no equivalent consideration from that beneficiary;
- ◇ The amount can be reliably estimated.

Contingent liabilities are detailed in the notes to the financial statements when the entity has a potential obligation towards a third party arising from events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

## 4.15 Payables

### Financial payables

#### FOREIGN CURRENCY TRANSACTIONS

At year-end, foreign currency denominated monetary balances, except for those hedged by currency swap contracts, are translated at closing exchange rates. Perfectly hedged operations, particularly financial payables in foreign currencies, are presented at the hedged rate.

#### DERIVATIVE FINANCIAL INSTRUMENTS

Aéroports de Paris manages market risks related to fluctuations in interest rates and rates of exchange through the use of derivative financial instruments, particularly interest rate swaps and currency swaps. All these instruments are used for hedging purposes and are strictly backed up by assets. The income and expenses related to the use of these derivative instruments for hedging are entered symmetrically with the accounting of the income and expenses of the hedged transactions. Equalisation payments received or paid during the setting up of swaps covering both the principal sum and the interest are entered for the duration of the contracts as an interest rate adjustment.

### Other debts

Operating payables and other debts are accounted for when in accordance with a company order, the goods have been delivered or the service has been carried out.

## 4.16 Definition of net cash and cash equivalents

Net cash and cash equivalents are constituted as financial instruments, which allow Aéroports de Paris to manage short-term cash requirements and surpluses without taking any major risks.

Net cash is composed of:

- ◇ Cash accounts;
- ◇ Deposit accounts;
- ◇ Time deposit accounts;
- ◇ Investment securities that do not present a significant risk of a change in value due to their nature and that can easily be converted into cash flow because of an available market or potential buyer;
- ◇ Short-term investments which do not carry any material impairment risk and can be converted instantly into cash, less bank overdrafts and related accrued interest.

## NOTE 5 NOTES TO THE INCOME STATEMENT

### 5.1 Breakdown of revenue

(in millions of euros)	Activities			2016	2015
	Aviation	Retail and services	Real estate		
Airport fees	1,003	-	-	1,003	998
Revenue from airport safety and security services	480	-	-	480	486
Retail activities	-	430	2	432	435
Rental income	20	108	198	326	323
Ancillary fees	220	12	-	232	222
Car parks and access roads	-	175	-	175	177
Ground-handling	-	-	-	-	-
Industrial services revenue	-	42	-	42	46
Other revenue	26	23	5	54	48
<b>TOTAL</b>	<b>1,749</b>	<b>790</b>	<b>205</b>	<b>2,744</b>	<b>2,735</b>

Turnover in 2016 remains stable +0.33% (+€9 million) and amounts to €2,744 million. The slight increase is mainly explained by:

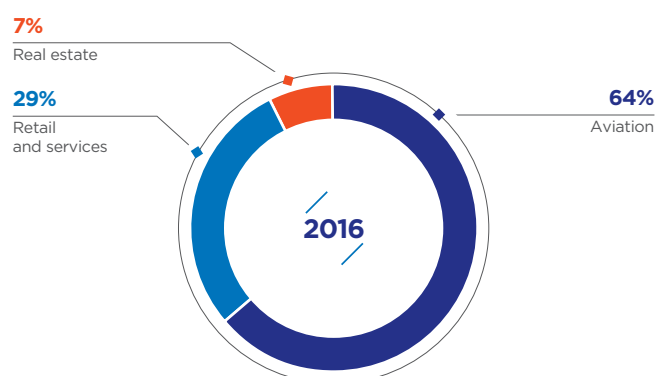
- ◇ Ancillary fees which increased by €10 million due to a new baggage sorting facilities fee implemented as of 1 April 2016 (+€6 million) and an update of the baggage sorting fee negotiated with Air France (+€2 million);
- ◇ An increase in other revenue (+€6 million);
- ◇ Airport fees increased by €5 million due to a rise in passenger traffic (+1.8% compared to last year) and the 2.4% tariffs increase between 1 April 2015 and 31 March 2016;

- ◇ Rental income from bars and restaurants (+€8 million) and shops before customs (+€3 million).

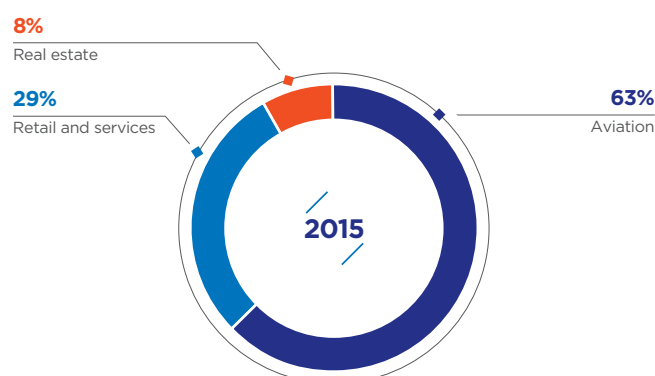
This increase is offset by:

- ◇ An unfavorable costs base effect in 2015 related to revenue from airport safety;
- ◇ A decrease in car parks income -1,13% (-€2 million) due to lower activity;
- ◇ A decrease on retail activities revenues (-€3 million).

#### Breakdown of revenue 2016



#### Breakdown of revenue 2015



### 5.2 Changes in finished goods inventory

Engineering studies transferred to inventories amount to €6 million and correspond on the one hand to engineering studies carried out by Aéroports de Paris employees valued at full cost and on the other hand, the purchase of studies.



### 5.3 Capitalised production costs

<i>(in millions of euros)</i>	2016	2015
Capitalised production	56	47

Capitalised production primarily represents the internal cost related to employees who participate in projects for the construction of company assets, particularly in studies, works supervision or project-management assistance.

### 5.4 Purchases and external expenses

<i>(in millions of euros)</i>	2016	2015
Electricity	(25)	(24)
Water, gas and fuel	(12)	(13)
Operational supplies and small-format equipment	(11)	(11)
Other consumables	(19)	(17)
<b>Consumables</b>	<b>(67)</b>	<b>(65)</b>
General sub-contracting	(459)	(456)
♦ Security	(223)	(223)
♦ Cleaning	(73)	(72)
♦ Transport	(29)	(31)
♦ Other	(134)	(130)
Maintenance and repairs	(130)	(123)
Post and communication costs	(29)	(27)
Insurance	(13)	(10)
Remuneration of intermediaries and fees	(25)	(22)
Advertising, publications, public relations	(35)	(22)
Rental and leasing expenses	(18)	(13)
External personnel	(10)	(10)
Other external expenses	(32)	(33)
<b>External expenses</b>	<b>(751)</b>	<b>(717)</b>
<b>TOTAL PURCHASES AND EXTERNAL EXPENSES</b>	<b>(818)</b>	<b>(782)</b>

External purchases and expenses amount to €818 million as of 31 December 2016, compared to €782 million in the previous year. This represents an increase of +4.6% (+€36 million).

The latter can be mainly explained by the €12 million increase in spending on Advertising, publications and public relations, due to the rollout of the new Paris Aéroports brand.

20

### 5.5 Taxes other than income taxes

<i>(in millions of euros)</i>	2016	2015
Property tax	(91)	(83)
Territorial financial contribution	(63)	(54)
Non-refundable VAT on safety expenditure	(52)	(50)
Tax on earnings	(21)	(21)
Other taxes	(24)	(22)
<b>TAXES OTHER THAN INCOME TAXES</b>	<b>(251)</b>	<b>(230)</b>

Duties and taxes are up by 9.13% and amount to €251 million as of 31 December 2016.

This increase is mainly due to:

- ◆ The increase in the regional economic contribution (+€9 million) which is due to past tax litigations settlements offset by related reversal of provisions;

- ◆ The rise in property tax +€8 million comprising:

- ◆ +€3.4 million from tax declarations for additional facilities, and
- ◆ +4.6 million from the updated tax rates and rental value for current facilities.

Other taxes are mainly made up of the office and parking areas tax amounting to €7 million, the company social solidarity contribution amounting to €4 million, the noise pollution fee amounting to €5 million and the sanitation tax for the amount of €6 million.

## 5.6 Employee benefit costs

<i>(in millions of euros)</i>	2016	2015
Salaries	(380)	(375)
Social security expenses	(165)	(165)
Profit-sharing bonus	(14)	(18)
Payments to Works Council	(18)	(22)
Tax credit for competitiveness and employment	4	4
Other employee expenses	(12)	(13)
<b>EMPLOYEE BENEFIT COSTS</b>	<b>(585)</b>	<b>(590)</b>

Staff costs totalize €585 million as of 31 December 2016 and decreased by €5 million compared to previous year.

The profit sharing bonus for 2016 and payable in 2017 decreased by €4 million.

The company headcount decreased by 0.9% which led to a decrease in salaries of about €3.7 million.

Other employee expenses are composed of employer contributions to the company saving plan and contribution to employee's lunch allowance in restaurants which are not managed by the work council.

## 5.7 Operating depreciations, amortisations and reversals

<i>(in millions of euros)</i>	2016		2015	
	Additions	Reversals	Additions	Reversals
Intangible assets	(14)	-	(16)	-
Property, plant and equipment	(398)	-	(409)	-
<b>Depreciation and Amortisation of fixed assets</b>	<b>(412)</b>	<b>-</b>	<b>(425)</b>	<b>-</b>
Provisions for risks	(8)	11	(6)	9
Provisions for expenses	(33)	19	(28)	14
<b>Provisions for liabilities and expenses</b>	<b>(41)</b>	<b>30</b>	<b>(34)</b>	<b>24</b>
Trade receivables and related accounts	(2)	16	(5)	4
<b>Depreciation of receivables</b>	<b>(2)</b>	<b>16</b>	<b>(5)</b>	<b>4</b>
<b>Transfer of operating charges</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>4</b>
<b>TOTAL</b>	<b>(471)</b>	<b>46</b>	<b>(464)</b>	<b>32</b>

Provisions for risks and charges amount to €41 million, including, in particular provisions for commitments linked to retirement benefit schemes of €21 million.

The amount of reversals of provisions for doubtful and contested receivables amount to €16 million. At the same time, doubtful receivables are entered as a loss amounting to €3 million.



## 5.8 Income tax expenses

### Break down of tax

<i>(in millions of euros)</i>	Income before tax	Taxes	Net income excluding profit sharing
Current result	648	(223)	425
Extraordinary income	(12)	4	(8)
Tax consolidation revenue	-	5	5
<b>TOTAL (EXCLUDING PROFIT SHARING)</b>	<b>636</b>	<b>(214)</b>	<b>422</b>

Aéroports de Paris does not recognise deferred tax in its statutory financial statements.

The table below presents temporary differences that will give rise to the recognition in the future of an income tax liability or a tax credit:

<i>(in millions of euros)</i>	As at 31 Dec. 2016	As at 31 Dec. 2015	Change
Participation of employee's profit sharing	(23)	(21)	(2)
Provisions for exchange losses	(4)	(1)	(3)
Provisions for employee benefit obligations	(380)	(364)	(15)
Other non-deductible provisions	(10)	(15)	4
Cost of studies and supervision of works (FEST)	(46)	(56)	10
Acquisition cost of securities investments	(10)	(10)	-
Amortization of securities investments acquisition costs	9	7	2
Property option exercise (Ex. Leasing)	(6)	(13)	8
<b>Deductible expenses for the period on subsequent periods</b>	<b>(469)</b>	<b>(474)</b>	<b>5</b>
Translation adjustments - Asset	4	1	2
Regulated provisions	1,140	1,104	36
<b>Deducted charges of subsequent periods for the period</b>	<b>1,143</b>	<b>1,105</b>	<b>38</b>
<b>TOTAL TEMPORARY DIFFERENCES</b>	<b>674</b>	<b>632</b>	<b>42</b>

Future income tax liability estimated at €203 million as at 31 December 2016 (€218 million as at 31 December 2015). The valuation has taken into account a decrease in the tax rate from 34.43% to 28.92% starting from 2020 in compliance with the finance law approved at the end of December 2016. The decrease in tax rate generated a reduced future tax liability based on the tax planning schedule.

## 5.9 Financial income

Financial income in 2015 amounted to €46 million and includes:

<i>(in millions of euros)</i>	2016	2015
Income from investments	32	60
Swap interest <i>income</i>	14	20
Other financial income	24	30
<b>Financial income</b>	<b>70</b>	<b>110</b>
Interest on loans	(113)	(112)
Swap interest <i>charges</i>	(7)	(12)
Other financial expenses	(23)	(32)
<b>Financial expenses</b>	<b>(143)</b>	<b>(156)</b>
<b>FINANCIAL INCOME</b>	<b>(72)</b>	<b>(46)</b>

Financial income amounts to €70 million and is mainly made up of:

- ◆ Dividends received (€32 million) of which €15 million from Schiphol Group;
- ◆ Interest income from swaps amounting to €14 million.

Financial expenses for the 2016 financial year are primarily made up of interest charges on borrowings and swaps amounting to €120 million. The evolution of these types of expenses is consistent with the variation of borrowings and swaps on borrowings (see note 6.9 Financial Payables):

Other financial income is mainly made up with:

- ◆ Reversal of depreciation of ADPIngénierie current account of €9 million,

- ◆ Charge transfer related to the AGATHA operation, amounting to €6 million,

- ◆ Exchange gains amounting to €4 million;

Other financial expenses contains:

- ◆ The sale of shares in ADP intended for the AGATHA operation, amounting to €6 million,
- ◆ Depreciation of Coeur d'Orly Investissement current account, amounting to €5 million,
- ◆ Additional depreciation of Tank OWA Beta GmbH securities, amounting to €4 million,
- ◆ Exchange losses, amounting to €3 million,
- ◆ ADP Ingénierie Financial Risk allowance, amounting to €1 million.

## Breakdown of group<sup>1</sup> and non-group net financial income

<i>(in millions of euros)</i>	Income from investments	Amortisation and reversal of provisions	Other financial income and expenses	Total
ADP Ingénierie	-	8	-	8
Schiphol Group	15	-	-	15
Société de Distribution Aéroportuaire	9	-	1	10
Aéroports de Paris Management	1	-	-	1
Alyzia holding	-	-	-	-
Hub One	1	-	-	1
Hub Safe	1	-	-	1
Roissy Continental Square	1	-	1	2
Others	4	(9)	1	(4)
<b>Group Financial result</b>	<b>32</b>	<b>1</b>	<b>2</b>	<b>35</b>
Net financial income	-	-	-	(108)
Other financial income and expenses	-	-	-	1
<b>Financial result outside the group</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(107)</b>
<b>FINANCIAL INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(72)</b>

<sup>1</sup> Here, the group encompasses all subsidiaries and shareholdings held by Aéroports de Paris.



## 5.10 Extraordinary income

<i>(in millions of euros)</i>	2016	2015
Special amortisation write-off	35	2
Other extraordinary income from assets	55	18
<b>Extraordinary income from assets</b>	<b>90</b>	<b>20</b>
Reversal of provisions for liabilities and expenses	14	44
Other extraordinary income	16	8
<b>Sundry exceptional income</b>	<b>30</b>	<b>52</b>
<b>Extraordinary income</b>	<b>120</b>	<b>72</b>
Special amortisation expenses	(71)	(35)
Other extraordinary expenses on assets	(40)	(31)
<b>Extraordinary expenses on assets</b>	<b>(111)</b>	<b>(66)</b>
Provisions for extraordinary liabilities and expenses	(3)	(2)
Other extraordinary expenses	(19)	(43)
<b>Sundry extraordinary expenses</b>	<b>(21)</b>	<b>(45)</b>
<b>These adjustments relate mainly to the depreciation of intangible assets (concession agreements, customer relationship)</b>	<b>(132)</b>	<b>(111)</b>
<b>EXTRAORDINARY INCOME</b>	<b>(12)</b>	<b>(39)</b>

In 2016, the main variations in extraordinary income from fixed assets is related to the sale of the registered office which generated proceeds from disposal of €18 million. Other extraordinary income and expenses concern litigation with third parties.

Extraordinary expenses on assets are also made of special amortization expenses amounting to €71 million (Cf. note 4.13).

## 5.11 Profit sharing

<i>(in millions of euros)</i>	2016	2015
Employees' profit sharing	(22)	(20)

## NOTE 6 NOTES TO THE BALANCE SHEET

### 6.1 Fixed Assets

<i>(in millions of euros)</i>	As at 31 Dec. 2015	Increase	Decrease	Transfers to and from other headings	As at 31 Dec. 2016
Concessions and similar rights, patents, licences, brands, procedures, and similar rights and values	249	-	(0)	(6)	242
<b>Intangible assets</b>	<b>249</b>	<b>-</b>	<b>(0)</b>	<b>(6)</b>	<b>242</b>
Land	53	-	-	-	53
Land development	28	-	-	2	30
Buildings	10,642	-	(154)	416	10,904
Buildings on third party land	5	-	-	-	5
Industrial plant and equipment	154	-	(4)	13	163
Other tangible fixed assets	344	-	(3)	15	356
<b>Property, plant and equipment</b>	<b>11,225</b>	<b>-</b>	<b>(162)</b>	<b>446</b>	<b>11,509</b>
<b>Fixed assets in progress</b>	<b>494</b>	<b>774</b>	<b>-</b>	<b>(476)</b>	<b>792</b>
<b>Advances on fixed assets suppliers</b>	<b>39</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>37</b>
<b>TOTAL</b>	<b>12,008</b>	<b>774</b>	<b>(162)</b>	<b>(38)</b>	<b>12,580</b>

## Main investments during the year

The investments made during 2016 amount to €774 million and are mainly made up with the following projects:

- ◇ At Paris-Charles de Gaulle Airport:
  - ◆ work on the new head office of Aéroports de Paris SA,
  - ◆ further work to set up a system of conveying, handling and increasing security of luggage at the departure hall located at the east of Terminal 2E,
  - ◆ rehabilitation of aircraft way 2,
  - ◆ transfer of ownership of pipelines formerly operated by the SMCA,
  - ◆ studies and preparatory work for the project to renovate terminal 2B and its junction with the terminal 2D,
  - ◆ compliance work in order to improve the treatment of polluted water during the winter period,
  - ◆ redesign of the business Hall K of Terminal 2E,
  - ◆ power supply of Paris-Charles de Gaulle in 225 KV;
- ◇ at Paris-Orly Airport:
  - ◆ junction between South and West terminals,
  - ◆ preliminary works for aircraft way 4 renovation,
  - ◆ completion of an extension building at Terminal South,
  - ◆ first phase construction of the bridge between Cœur d'Orly and South terminal,
  - ◆ preparatory work for the renovation of aircraft way 2 and its compliance with the standards of the European Aviation Safety Agency (EASA),
  - ◆ works on the new Pavillon d'Honneur facilities,
  - ◆ preliminary work related to the construction of the Grand Paris metro station;
- ◇ Common projects to both platforms:
  - ◆ new developments and maintenance of operating information and application systems,
  - ◆ purchasing of new generation equipment for checked luggage inspection.

## Commissioning

- ◇ preliminary work to the construction of the junction between south and west terminals at Paris-Orly;
- ◇ rehabilitation of aircraft way 2 at Paris Charles de Gaulle;
- ◇ new developments and maintenance of operational information and application systems;
- ◇ preliminary work for aircraft way 4 renovation;
- ◇ preparatory work for the renovation of aircraft way 2 and its compliance with the standards of the European Aviation Safety Agency (EASA);
- ◇ completion of construction of the extension building at Paris Orly terminal south;
- ◇ transfer of ownership of pipelines formerly operated by Société de manutention des carburant aviation to Paris Charles de Gaulle.

## Main Disposals

As of 31 December 2016 fixed assets had been sold for €23 million. Main sales are the corporate office for €18 million and vehicles for €4 million.

The total amount of fixed assets scrapped for the accounting period 2016 is estimated at €120 million. Main fixed assets written-off are listed below:

- ◇ At Paris Charles de Gaulle airport:
  - ◆ €4 million of building demolition,
  - ◆ €79 million of terminal renovation,
  - ◆ €15 million of work to runways;
- ◇ At Paris Orly:
  - ◆ €7 million of terminal renovation,
  - ◆ €5 million of work to runway,
  - ◆ €3 million of building demolition.

## Depreciations and Amortisations

<i>(in millions of euros)</i>	As at 31 Dec. 2015	Increase	Decrease	As at 31 Dec. 2016
Concessions and similar rights, patents, licences, brands, procedures, and similar rights and values	(169)	(14)	-	(183)
<b>Intangible assets</b>	<b>(169)</b>	<b>(14)</b>	<b>-</b>	<b>(183)</b>
Land development	(17)	(1)	-	(18)
Buildings	(5,093)	(388)	115	(5,366)
Buildings on third party land	(5)	-	-	(5)
Industrial plant and equipment	(102)	(10)	4	(107)
Other tangible fixed assets	(210)	(16)	3	(223)
<b>Property, plant and equipment</b>	<b>(5,427)</b>	<b>(415)</b>	<b>122</b>	<b>(5,722)</b>
<b>TOTAL</b>	<b>(5,596)</b>	<b>(429)</b>	<b>122</b>	<b>(5,904)</b>



## Revaluation of fixed assets

Certain fixed assets were revalued as part of the legal revaluations in 1959 and 1976.

<i>(in millions of euros)</i>	Revalued values			Depreciation of the revaluation difference		Net revaluation difference (6) = (2) - (5)
	Gross value (1)	Increase in gross value (2)	Total (3) = (1)+(2)	Fiscal year (4)	Cumulative (5)	
Land	19	23	41			23
<b>Non-depreciable fixed assets</b>	<b>19</b>	<b>23</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>23</b>
Land development	1	-	1			-
Buildings	342	307	650	1	301	6
<b>Depreciable fixed assets</b>	<b>343</b>	<b>308</b>	<b>651</b>	<b>1</b>	<b>302</b>	<b>6</b>
<b>TOTAL</b>	<b>362</b>	<b>330</b>	<b>692</b>	<b>1</b>	<b>302</b>	<b>28</b>

## 6.2 Financial assets

### Book Value

<i>(in millions of euros)</i>	As at 31 Dec. 2015	Increase	Decrease	Transfers to and from other headings	Fusion	As at 31 Dec. 2016
Share investments	1,326	9	(1)	38	(56)	1,316
Receivables from to share investments	54	6	(5)	-	-	55
Loans	10	-	(1)	-	-	9
Other financial assets	24	12	(11)	-	23	48
<b>TOTAL</b>	<b>1,414</b>	<b>27</b>	<b>(18)</b>	<b>38</b>	<b>(33)</b>	<b>1,428</b>

According to new regulation ANC 2015-06, technical losses on merger for €38 million, recorded as an intangible asset in 2015, following the merger of Tank international Lux in Aéroports de Paris SA, has been allocated in financial asset in 2016.

Following the merger of Tank Holding ÖWA in Aéroports de Paris SA as of December 2016 -23, the technical loss on merger from Tank international Lux (€38 million) and Tank Holding ÖWA's share investment (€18 million) are eliminated for a total amount of €56 million. The technical loss from this merger amounts to €23 million, and has been allocated on the line "other

financial assets" according to new regulation AN 2015-06 (see note 4.2). As a consequence of the merger, Aéroports de Paris SA now holds directly Tank OWA Alpha GMBH and Tank OWA Beta GMBH shares.

One can also note a capital increase in ADP Investissement subsidiary for €9 million.

The change in "Receivables to share investments" is mainly due to the granting of a €6 million loan to Roissy Continental Square and the loans repayments of €5 million from Roissy continental square and Ville aéroportuaire Immobilier subsidiaries.

## Depreciation

Impairments of securities amounted to €65 million of which:

<i>(in millions of euros)</i>	
ADP Ingénierie	(25)
TANK ÖWC beta GmbH	(26)
SAS Coeur d'Orly Investissement	(11)
TANK ÖWA alpha GmbH	(3)

Additional depreciation of Tank OWA Beta GmbH securities for €4 million booked as at 31 December 2016.

## Table of subsidiaries and shareholdings

(in millions of euros)	Share capital	Other equity <sup>1</sup>	Share of capital held by ADP in %	Book value of shares hold		Unrefunded loans and advances granted by ADP	Guarantees given by ADP	Revenue excluding VAT	Profit/loss for the period	Dividends received by ADP
				Gross	Net					
Subsidiaries										
ADP Ingénierie - France <sup>1</sup>	7	(17)	100%	25	-	-	-	73	8	-
SAS Aéroports de Paris Investissement - France <sup>1</sup>	19	-	100%	19	19	-	-	-	-	-
ADP Management - France <sup>1</sup>	108	164	100%	108	108	-	-	19	47	1
Hub Safe - France <sup>1</sup>	3	7	100%	10	10	-	-	72	3	1
Hub One - France <sup>1</sup>	41	45	100%	41	41	-	-	84	5	1
Roissy Continental Square - France <sup>1</sup>	42	1	100%	48	48	44	-	14	1	1
SAS Coeur d'Orly Investissement - France <sup>1</sup>	11	(20)	100%	11	-	-	-	-	(5)	-
SAS Ville Aéroportuaire Immobilier - France <sup>1</sup>	7	2	100%	10	10	8	-	-	-	-
TANK ÖWA alpha GmbH - France	0	660	100%	625	622	-	-	-	38	-
TANK ÖWC beta GmbH - France	0	15	100%	38	11	-	-	-	(23)	-
Média ADP - France	2	10	50%	1	1	-	-	54	4	2
Associates and joint ventures										
ADPLS Présidence - France	-	-	50%	-	-	-	-	-	-	-
Relay@adp - France	3	4	49%	1	1	-	-	73	3	2
CDG Express Études - France	-	-	33%	-	-	-	-	-	-	-
Schiphol Group - Pays-Bas	85	3,728	8%	370	370	-	-	-	-	15
SCI Roissy Sogaris - France	6	5	40%	2	2	-	-	-	-	-
Société de Distribution Aéroportuaire - France	1	8	50%	1	1	4	-	689	7	9
EPIGO - France	1	4	50%	6	6	-	-	47	(7)	-
EPIGO Présidence - France	-	-	50%	-	-	-	-	-	-	-
Other investments										
Airportsmart - Angleterre	1	-	46%	-	-	-	-	NC	NC	-
CCS France - France	-	-	20%	-	-	-	-	NC	NC	-
Centre de Formation des Pompiers (C2FPA) - France	1	3	21%	-	-	-	2	NC	NC	-
Civi.Pol Conseil - France	2	-	1.03%	-	-	-	-	NC	NC	-
IDF Capital - France	20	-	1.35%	-	-	-	-	NC	NC	-
PACIFA - France	-	-	12%	1	1	-	-	-	-	-
TOTAL				1,316	1,250	55	2			32

<sup>1</sup> Integrated subsidiaries.



## 6.3 Operating receivables

(in millions of euros)

	As at 31 Dec. 2016	As at 31 Dec. 2015
<b>Trade receivables and related accounts</b>	<b>460</b>	<b>455</b>
Taxes other than income taxes	71	64
Current accounts	66	57
Other debtors	8	10
<b>Other receivables</b>	<b>145</b>	<b>131</b>
<b>TOTAL</b>	<b>605</b>	<b>586</b>

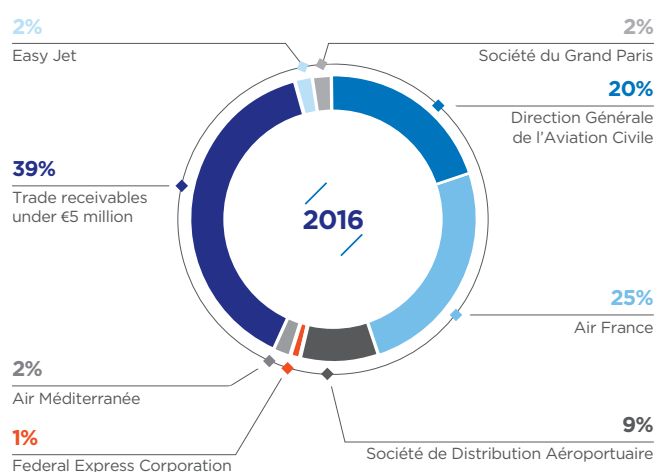
Operating receivables amount to €605 million as at 31 December 2016 and increased by 3% (€19 million) compared to previous year.

### Main trade receivables at year-end

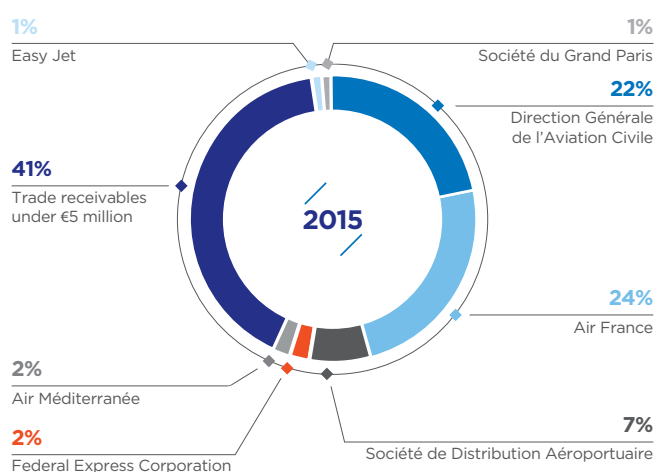
(in millions of euros)

	As at 31 Dec. 2016	As at 31 Dec. 2015
Air France	114	109
Direction Générale de l'Aviation Civile	97	109
Société de Distribution Aéroportuaire	43	28
Société du Grand Paris	10	3
Easy Jet	9	6
Federal Express Corporation	6	9
Air Méditerranée	8	8
Trade receivables under €5 million	174	183
<b>TOTAL</b>	<b>460</b>	<b>455</b>

### Breakdown of operating receivables 2016



### Breakdown of operating receivables 2015



## Current accounts

Current accounts, in other receivables, are as follows:

<i>(in millions of euros)</i>	As at 31 Dec. 2016	As at 31 Dec. 2015
SAS Coeur d'Orly Investissement	23	23
ADP Ingénierie	20	12
<b>Fully Consolidated Subsidiaries</b>	<b>43</b>	<b>35</b>
Société de Distribution Aéroportuaire	17	19
Other	6	3
<b>Associates and joint ventures</b>	<b>23</b>	<b>22</b>
<b>TOTAL</b>	<b>66</b>	<b>57</b>

## Depreciation of current assets

The depreciation of current assets amounted to €37 million:

<i>(in millions of euros)</i>	As at 31 Dec. 2016	As at 31 Dec. 2015
Trade receivables and related accounts	(19)	(33)
Current accounts	(18)	(22)
<b>TOTAL</b>	<b>(37)</b>	<b>(55)</b>

## Maturity structure of receivables

The table below presents, for each type of receivable, the remaining duration for that the receivable to become payable:

<i>(in millions of euros)</i>	Gross Amount	Payability		
		< 1 year	1 to 5 years	> 5 years
Receivables from to share investments	55	11	21	23
Loans	9	2	4	3
Other capitalised receivables	9	-	9	-
<b>Receivables from fixed assets</b>	<b>73</b>	<b>13</b>	<b>34</b>	<b>26</b>
Trade receivables and related accounts	460	460	-	-
Other receivables	145	145	-	-
<b>Receivables from current assets</b>	<b>605</b>	<b>605</b>	<b>-</b>	<b>-</b>
<b>Prepaid expenses</b>	<b>15</b>	<b>6</b>	<b>4</b>	<b>5</b>
<b>TOTAL</b>	<b>693</b>	<b>624</b>	<b>37</b>	<b>31</b>

87% of the receivables are made up of current asset debts.

Most of the receivables are payable immediately or in less than one year.

## 6.4 Marketable securities and cash

<i>(in millions of euros)</i>	As at 31 Dec. 2016	As at 31 Dec. 2015
Marketable securities	1,566	1,601
<i>Of which Treasury shares</i>	12	24
Cash	63	116
<b>TOTAL</b>	<b>1,629</b>	<b>1,717</b>

The short-term investments of Aéroports de Paris consist in investment funds (SICAV).

The treasury shares are to be delivered as part of the bonus share plan (AGATHA) launched in 2016.



## 6.5 Prepaid expenses and deferred income

### Prepaid expenses

The prepaid expenses amounted to €15 million mainly consist of items relating to insurance contracts underwritten by Aéroports de Paris. They represent 67% of prepaid expenses.

### Deferred income

Deferred income totaled €158 million as at 31 December 2016 mostly made of rents paid in advance.

## 6.6 Bond redemption premiums

<i>(in millions of euros)</i>	Assets	Liabilities
Bonds issued	15	-

Details of loan premiums are presented in note 6.9.

## 6.7 Shareholders' equity

<i>(in millions of euros)</i>	As at 31 Dec. 2015	Increase	Decrease	Allocation of income	As at 31 Dec. 2016
Share capital	297	-	-	-	297
Premiums	543	-	-	-	543
Revaluation difference	24	-	-	-	24
Legal reserve	30	-	-	-	30
Other reserves	839	-	-	-	839
Retained earnings	918	-	-	137	1,055
Profit/loss for the period	396	399	-	(396)	399
Interim dividend	(69)	69	(70)	-	(70)
Investment grants	42	5	(3)	-	43
Regulated provisions	1,104	71	(35)	-	1,140
<b>TOTAL</b>	<b>4,121</b>	<b>544</b>	<b>(108)</b>	<b>(259)</b>	<b>4,298</b>

The company's share capital as at 31 December 2016 totaled €296,881,806, broken down into 98,960,602 shares at a nominal value of €3.

Shareholders' equity of Aéroports de Paris amounted to €4,298 million.

In compliance with the Annual General Meeting decision of 3 May 2016, a dividend of €2.61 per share, representing a total of €258,287,171 was paid out on 2 June 2016.

## 6.8 Provisions

<i>(in millions of euros)</i>	As at 31 Dec. 2015	Additions	Reversals	As at 31 Dec. 2016
Other provisions for risks	24	1	(6)	19
Provisions for litigation	19	8	(5)	22
<b>Provisions for risks</b>	<b>43</b>	<b>9</b>	<b>(11)</b>	<b>41</b>
Provisions for taxes	7	3	(7)	3
Provisions for restructuring	10	-	(7)	3
Provisions for employee benefit obligations	366	31	(15)	382
Other provisions for charges	3	2	(3)	2
Provisions for exchange losses	1	2	-	3
<b>Provisions for expenses</b>	<b>387</b>	<b>38</b>	<b>(32)</b>	<b>393</b>
<b>TOTAL</b>	<b>430</b>	<b>47</b>	<b>(43)</b>	<b>434</b>

### Provisions for employee benefit obligations

Aéroports de Paris abides by the following employee benefit obligations:

#### RETIREMENT BENEFIT SCHEME (IFC)

The group grants a retirement benefit to Aéroports de Paris employees taking their retirement. The sum paid is based on a number of months of salary depending on length of service at Aéroports de Paris at the date of retirement. Employer contributions are payable on this income.

The main risks linked to this system are risks of increase in employer contribution rates applicable to Aéroports de Paris, renegotiation of the rise in fee structures as defined by the statutes, and changes in legal minimum benefit amounts.

#### MUTUAL HEALTH INSURANCE FOR THE RETIRED

Aéroports de Paris helps finance the subscription to two mutual health insurance contracts covering two closed populations of retired former employees.

The main risks identified are risks:

- ◆ of an increase in employer contribution rates applicable to Aéroports de Paris' financial contribution;
- ◆ of a steady increase in medical costs covered by mutual health insurance, which has a knock-on effect on Aéroports de Paris' financial contribution.

#### PENSION SCHEMES WITH DEFINED SERVICES

Aéroports de Paris grants additional retirement pensions and has insurance contracts to deal with the management of pension payments.

In this context, Aéroports de Paris has opted for the "Fillon tax" on premiums paid on the insurance provider's collective funds (24%) for the defined benefits scheme, and the pension tax paid by the insurance provider (32% for liquidations that took place from 1 January 2013) for other schemes. The main risk involved is a legislative review increasing the Fillon tax rate, which would automatically increase Aéroports de Paris' commitment.

There are three additional retirement benefit schemes:

- ◆ A defined retirement benefits scheme - this life annuity retirement pension scheme is an additional type and concerns all employees;
- ◆ An additional pension scheme - this retirement pension scheme:
  - ◆ is an "additional" type for firemen. The temporary pension is paid at the same time as the "PARDA" pension,
  - ◆ a life annuity pension of the "differential" category for the majority of the PARDA scheme beneficiaries;

#### LONG-SERVICE AWARDS SCHEME

Aéroports de Paris employees receive an "aeronautical services medal".

#### EARLY RETIREMENT SCHEME

The "PARDA" (protocol of agreement on the early retirement scheme) early retirement scheme involves paying a replacement income over a temporary period prior to the retirement of firemen, to which employer contribution rates and 50% of the "Fillon tax" are added.

#### DETAILS OF THE ACTUARIAL CALCULATION

The total employee benefit obligations in previously described schemes is evaluated in compliance with Recommendation no. 2003-R 01 of 1 April 2003 of the French National Accounting Board relating to accounting and evaluation rules on retirement obligations and similar benefits.

The main actuarial assumptions used to calculate employee benefit obligations are:

- ◆ a discount rate of 1,50%;
- ◆ an annual increase in salaries of between 1,75% and 3,75% per year, including inflation;
- ◆ a resignation rate demonstrating the probability that not all employees will reach the end of their careers within the company;
- ◆ mortality rate tables, TH - TF 2012-2014 statistical tables on the phase of activity and TGH-TGF 2000-2005 generational tables on the pension phase;
- ◆ a voluntary retirement age of 62 for supervisory and senior supervisory employees, and 64 for the management category.

The company uses the corridor method for the accounting of actuarial differences (10%).

The table below recapitulates all employee benefit obligations by illustrating:

- ◆ the change in actuarial value;
- ◆ liabilities entered on the balance sheet;
- ◆ expense analysis for the financial year.



<i>(in millions of euros)</i>	Retirement Plan	PARDA	Additional retirement benefits	Health cover	Aviation industry long service medals	Total
Actuarial value of obligation at opening	281	10	67	74	1	434
Interest costs	6	-	2	1	-	9
Service costs for the period	15	2	3	-	-	20
Services provided	(8)	(1)	(4)	(3)	-	(16)
Actuarial gain or loss	16	(1)	2	(5)	-	12
<b>Actuarial value of obligation at closing</b>	<b>310</b>	<b>11</b>	<b>70</b>	<b>67</b>	<b>1</b>	<b>459</b>
Deferred actuarial difference on balance sheet	(49)	7	(47)	12	-	(77)
Market value of assets at closing	-	-	(2)	-	-	(2)
Past service costs	-	-	-	-	-	-
<b>Liabilities recognized in the balance sheet</b>	<b>261</b>	<b>18</b>	<b>22</b>	<b>79</b>	<b>1</b>	<b>381</b>
Discount expenses	6	-	2	1	-	9
Amortisation of actuarial gains/losses	-	(1)	3	-	-	1
Service costs for the period	15	2	3	-	-	20
Past service costs	-	-	1	(1)	-	-
Reduction/curtailment	-	-	-	-	-	-
<b>EXPENSE FOR THE PERIOD</b>	<b>21</b>	<b>1</b>	<b>9</b>	<b>1</b>	<b>-</b>	<b>30</b>

## 6.9 Financial debts

### Changes in financial debts

<i>(in millions of euros)</i>	As at 31 Dec. 2015	Increases	Decreases	As at 31 Dec. 2016
Bonds	3,835	-	-	3,835
Loans from credit institutions	517	-	-	517
Other loans	4	3	(1)	6
Deposits, estimated fees and deposits received	14	3	(3)	15
Accrued interest on loans	74	74	(71)	74
Overdrafts	1	-	(1)	-
<b>TOTAL</b>	<b>4,445</b>	<b>80</b>	<b>(78)</b>	<b>4,447</b>

Accrued interest on loans stood at €74 million, including:

<i>(in millions of euros)</i>	
Accrued interest on bonds	76
Accrued interest on loans swapped	(5)

## Details of bonds and bank loans

<i>(in millions of euros)</i>	Initial capital borrowed	Nominal rate	Initial capital remaining due	Amortisation of capital	Underwriting of loans	Final capital remaining due	Issue premium
ADP CHF 250 M 2009-2015	135	2.5%	135	-	-	135	-
ADP CHF 200 M 2010-2017	500	3.886%	500	-	-	500	-
ADP EUR 500 M 2010-2020	400	4.0%	400	-	-	400	-
ADP EUR 400 M 2011-2021	400	3.875%	400	-	-	400	1
ADP EUR 400 M 2011-2022	300	2.375%	300	-	-	300	1
ADP EUR 300 M 2012-2019	500	3.125%	500	-	-	500	3
ADP EUR 500 M 2012-2024	600	2.75%	600	-	-	600	6
ADP EUR 600 M 2013-2028	500	1.50%	500	-	-	500	5
ADP EUR 500 M 2014 -2028	500	1.50%	500	-	-	500	1
<b>Bonds</b>	<b>3,835</b>		<b>3,835</b>	<b>-</b>	<b>-</b>	<b>3,835</b>	<b>16</b>
BEI EUR 100 M 2003-2018	100	Eur 3M + margin	100	-	-	100	-
BEI EUR 220M 2004-2019	220	Eur 3M + margin	220	-	-	220	-
BEI EUR 30 M 2004-2019	30	Eur 3M + margin	30	-	-	30	-
BEI EUR 130 M 2005-2020	130	Eur 3M + margin	130	-	-	130	-
DEUTSCHE Bank EUR 37 M 2010-2020	37	4.125%	37	-	-	37	-
<b>Loans from credit institutions</b>	<b>517</b>		<b>517</b>	<b>-</b>	<b>-</b>	<b>517</b>	<b>-</b>
<b>Other loans</b>	<b>6</b>		<b>5</b>	<b>(1)</b>	<b>3</b>	<b>7</b>	<b>-</b>
<b>TOTAL</b>	<b>4,358</b>		<b>4,356</b>	<b>(1)</b>	<b>3</b>	<b>4,359</b>	<b>16</b>

## Swaps on bonds

Initial date of swap <i>(in millions of euros)</i>	Duration	Amount	Fair value	Rate	Repayments made	Repayments received	
					These adjustments relate mainly to the depreciation of intangible assets (concession agreements, customer relationship)	Rate	Income
08/07/11	10 years	100	17	Eur 3M + margin	(1)	Fixed	4
08/07/11	10 years	100	17	Eur 3M + margin	-	Fixed	4
08/07/12	9 years	100	(10)	Fixed	(3)	Eur 3M + margin	1
08/07/12	9 years	100	(10)	Fixed	(3)	Eur 3M + margin	-
<b>TOTAL SWAPS RELATING TO BONDS</b>		<b>400</b>			<b>(6)</b>		<b>9</b>
27/01/10	7 years	67	28	Eur 3M + margin	(1)	Fixed	2
27/01/10	7 years	67	28	Eur 3M + margin	-	Fixed	2
<b>TOTAL SWAPS ON FOREIGN CURRENCY BOND LOANS</b>		<b>135</b>			<b>(1)</b>		<b>4</b>



## 6.10 Trade payables and tax and employee-related liabilities

(in millions of euros)

	As at 31 Dec. 2016	As at 31 Dec. 2015
<b>Trade payables</b>	<b>182</b>	<b>202</b>
Staff costs and related accounts	224	238
Taxes other than income taxes	37	48
<b>Tax and employee-related liabilities</b>	<b>261</b>	<b>286</b>
<b>TOTAL</b>	<b>443</b>	<b>488</b>

## 6.11 Other liabilities

(in millions of euros)

	As at 31 Dec. 2016	As at 31 Dec. 2015
<b>Debts on fixed assets and related accounts</b>	<b>258</b>	<b>229</b>
Current accounts	224	169
Customer accounts payable	14	10
Various accounts payables	27	43
<b>Other debts</b>	<b>265</b>	<b>222</b>
<b>TOTAL</b>	<b>523</b>	<b>451</b>

### Current accounts

Current accounts, presented in other liabilities, break down follows:

(in millions of euros)

	As at 31 Dec. 2016	As at 31 Dec. 2015
Aéroports de Paris Management	169	136
Hub One	25	19
Hub Safe	15	12
ADP Ingénierie	11	2
<b>FULLY CONSOLIDATED SUBSIDIARIES</b>	<b>220</b>	<b>169</b>

## 6.12 Schedule of debt payments

The table below presents, for each type of payable, the remaining duration for debt to become payable:

(in millions of euros)	Gross Amount	Payment		
		< 1 year	1 to 5 years	> 5 years
Bonds	3,835	135	800	2,900
Loans from credit institutions	517	-	517	-
Loans and other financial liabilities	95	75	4	16
<b>Financial debt</b>	<b>4,447</b>	<b>210</b>	<b>1,321</b>	<b>2,916</b>
Trade payables	182	182	-	-
Tax and employee-related liabilities	261	261	-	-
<b>Operating liabilities</b>	<b>443</b>	<b>443</b>	<b>-</b>	<b>-</b>
Debts on fixed assets and related accounts	258	258	-	-
Other debts	265	265	-	-
<b>Other payables</b>	<b>523</b>	<b>523</b>	<b>-</b>	<b>-</b>
<b>Deferred income</b>	<b>158</b>	<b>94</b>	<b>17</b>	<b>47</b>
<b>TOTAL</b>	<b>5,570</b>	<b>1,269</b>	<b>1,338</b>	<b>2,963</b>

**6.13** Accrued expenses and revenue to be received by balance sheet item

<b>Assets</b>	<b>As at</b>	<b>Liabilities</b>	<b>As at</b>
<i>(in millions of euros)</i>	<b>31 Dec. 2016</b>	<i>(in millions of euros)</i>	<b>31 Dec. 2016</b>
		Bonds	72
Other financial assets	8	Loans from credit institutions	1
<b>Fixed assets</b>	<b>8</b>	<b>Financial debt</b>	<b>73</b>
Trade receivables and related accounts	128	Trade payables	100
Other receivables	5	Tax and employee-related liabilities	209
<b>Current assets</b>	<b>133</b>	<b>Operating liabilities</b>	<b>309</b>
		Debts on fixed assets and related accounts	147
		<b>Other payables</b>	<b>147</b>
<b>TOTAL</b>	<b>141</b>	<b>TOTAL</b>	<b>529</b>

**NOTE 7** NOTES TO THE CASH FLOW STATEMENT**7.1** Change in working capital

<i>(in millions of euros)</i>	<b>2016</b>	<b>2015</b>
<b>Change in inventories</b>	<b>(5)</b>	<b>-</b>
Accounts receivable	12	(27)
Customers - doubtful accounts	14	(13)
Customers - invoice to be established	(31)	57
Tax receivable other than income taxes	(17)	(11)
Depreciation of receivable accounts	(14)	2
Other	(1)	(20)
<b>Total trade and other receivables</b>	<b>(38)</b>	<b>(12)</b>
Trade payables	(31)	35
Staff	(12)	38
Social security expenses	(4)	2
Tax liabilities excluding income taxes	1	(13)
Accrued liabilities	(19)	42
Deferred income	13	1
Employees' profit sharing	(2)	(1)
Other	17	(68)
<b>Total trade and other payables</b>	<b>(36)</b>	<b>36</b>
<b>CHANGE IN WORKING CAPITAL</b>	<b>(79)</b>	<b>24</b>



## 7.2 Cash & cash equivalents at the end of period

<i>(in millions of euros)</i>	2016	2015
Cash and cash equivalents	1,616	1,693
Bank overdrafts <sup>1</sup>	-	(1)
<b>NET CASH (AS SHOWN IN THE CASH FLOW STATEMENT)</b>	<b>1,616</b>	<b>1,692</b>

<sup>1</sup> Included in Current liabilities short term debt.

## NOTE 8 OFF BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

### 8.1 Off balance sheet commitments

<i>(in millions of euros)</i>	As at 31 Dec. 2016	As at 31 Dec. 2015
Guarantees	2	2
First demand guarantee	47	-
Acquisition of capital assets	405	501
Other	154	-
<b>COMMITMENTS GRANTED</b>	<b>608</b>	<b>503</b>
Guarantees	60	54
First demand guarantee	233	237
Other	-	-
<b>COMMITMENTS RECEIVED</b>	<b>294</b>	<b>291</b>

Guarantees correspond mainly to securities accorded to loans to staff members, as well as guarantees accorded by Aéroports de Paris on behalf of ADP Ingénierie and Aéroports de Paris Management for the benefit of different customers of these subsidiaries.

Guarantees on first demand have been given only by ADP Ingénierie and Aéroports de Paris Management as part of the execution of their international contracts.

### 8.2 Contingent liabilities

Aéroports de Paris SA is involved in a number of legal and arbitration proceedings in the ordinary course of its business. Aéroports de Paris SA is also subject to certain claims and legal actions that go beyond the ordinary course of its business.

The amount of provisions accounted for is based on Aéroports de Paris SA's assessment of claims and the level of risk on a case by case basis in which the progress of the case and defense arguments are weighed up. Other events during proceedings may at any time lead to a risk reassessment

The principal litigation is presented below and constitutes a contingent liability:

- On 13 July 2013, the Company JSC Investissements initiated an action for compensation before the Paris Commercial Court following the decision of Aéroports de Paris SA not to grant an authorization of temporary occupation of public property concerning the construction and operation of a centre for shopping and services on Paris-Charles de Gaulle Airport site. To date, discussion focused primarily on the determination of the competent jurisdiction. By decision of 4 July 2016, the Conflict Court appointed the administrative judge as sole competent to hear the dispute. By decision of 19 January 2017, the Administrative Court of Paris dismisses JSC Investissements of all its claims. The other party may lodge an appeal within two months of notification of the decision. At this stage, the group does not expect a negative outcome of this litigation.

## NOTE 9 REMUNERATION AND HEADCOUNT

### 9.1 Remuneration allocated to members of administrative and management bodies

<i>(in thousands of euros)</i>	<b>As at 31 Dec. 2016</b>	<b>As at 31 Dec. 2015</b>
Remuneration	4,068	3,731
Employer's social security contributions	1,582	1,319
Attendance fees	100	104
<b>TOTAL</b>	<b>5,750</b>	<b>5,154</b>

### 9.2 Employment details

The table below gives a breakdown of the workforce (present, on unpaid leave and on secondment).

<i>Categories</i>	<b>As at 31 Dec. 2016</b>	<b>As at 31 Dec. 2015</b>	<b>Change</b>	<b>Percentage</b>
Executives (excluding CEO and COO)	1,325	1,313	12	1%
Supervisors and technicians	4,535	4,578	(43)	(1)%
Enforcement agents	618	663	(45)	(7)%
<b>TOTAL</b>	<b>6,478</b>	<b>6,553</b>	<b>(76)</b>	<b>(1)%</b>

## NOTE 10 TRANSACTIONS WITH RELATED COMPANIES AND PARTIES

### 10.1 Transactions with affiliated parties

Transactions with affiliated parties mostly include:

- ◆ Agreements on remunerations and similar benefits concluded with members of administrative or management bodies;
- ◆ Conventions concluded with the French State and state-owned holding companies, associated companies and joint venture companies over which Aéroports de Paris exercises significant influence and joint control respectively.

#### Remuneration of principal senior directors

The Principal senior directors at Aéroports de Paris include the Chairman & Chief Executive Officer, the members of the executive committee and the directors appointed by the general meeting of shareholders.

This compensation amounts to €5.8 million in 2016 in comparison to €5.2 million in 2015. The variance is explained by the arrival of two additional members to the executive committee and one less corporate officer. This compensation includes short-term employee benefits (fixed and variable salary and benefits in kind), as well as employer contributions and attendance fees (cf note 9)

The principal senior directors did not receive any payments in shares in 2016 and 2015.

#### RELATIONS WITH VINCI

Significant transactions between Aéroports de Paris SA and Vinci are mainly related to the construction of a connecting building between the western and southern terminals of Paris-Orly Airport and the partnership with Vinci Airports in the context of the Santiago de Chile International Airport concession.

### Relations with the French State and State shareholdings

#### RELATIONS WITH THE STATE

The French State owns 50.6% of the share capital of Aéroports de Paris SA on December 31, 2016. The State has the right, like any majority shareholder, to control decisions requiring shareholder approval.

In this context, agreements are regularly signed with the French State.

The most significant agreements are presented below:

- ◆ The Economic Regulation Agreement for the 2016-2020 period (the main provisions of the 2016-2020 ERA are laid out in Note 3), signed on 31 August 2015;
- ◆ An agreement to the provision of property, supplies (electricity, heating, water), services (telecommunications, material, administrative or intellectual assistance) and training at the "DSNA" French air navigation service. This agreement was concluded on 27 July 2007 for a term of 15 years;
- ◆ Relations with the DGAC, the French Civil Aviation Authority - safety assignments, air transport security, and aircraft fire and rescue make up the public service missions under Aéroports de Paris' responsibility. Costs incurred as part of these missions are paid by the French Civil Aviation Authority (DGAC) who finances it through airport taxes collected from airlines. Turnover in 2014 amounts to €486 million compared with €485 million on 31/12/2014. Outstanding customer payments amounted to €109 million on the same date and have not changed since last year.



## RELATIONS WITH LA SOCIÉTÉ DU GRAND PARIS

To develop the capacities of Paris-Orly airport, Aéroports de Paris SA decided to create a junction building between the West and South terminals of the Paris-Orly airport. In addition, as part of the Greater Paris transport development, a metro station will be built to accommodate metro lines 14 and 18 in the Paris-Orly airport, which commissioning is scheduled for 2024. As such, two agreements have been signed between Aéroports de Paris SA and the Société du Grand Paris:

- ◆ a compensation agreement signed on 9 January 2015, by which the Société du Grand Paris compensated Aéroports de Paris SA for the additional costs it incurred in connection with the construction of the future junction building due to the passage of metro lines 14 and 18 tunnels under the building. This agreement was amended by an addendum on August 9, 2015;
- ◆ a co-contracting agreement, signed on 16 July 2015, for the construction at the Paris-Orly airport of the metro station to accommodate the 2 metro lines and airport facilities. Aéroports de Paris SA is designated as the sole contractor for the entire operation and will be responsible for the construction of the works, which should be completed by 2024.

## RELATIONS WITH THE AIR FRANCE-KLM GROUP

Transactions with the Air France-KLM Group mostly involve:

- ◆ invoicing aeronautical and ancillary fees fixed under the Economic Regulation Agreement in application of the Civil Aviation Code;
- ◆ and rents invoiced for leases on land and buildings surrounding airports.

### Relations with associated or jointly controlled companies

#### CDG EXPRESS

Aéroports de Paris SA is associated with the Réseau Ferré de France (French Rail Network) and the French State through a company called CDG Express Études, whose purpose it is to carry out directly or indirectly all the necessary studies to achieve the CDG Express project. This project consists of constructing a direct express rail link between Paris and Paris-Charles de Gaulle Airport.

### Relations with joint control companies or those with significant influence

Aéroports de Paris conducts regular transactions with companies over which it has joint control or a significant influence in a direct or indirect manner. These transactions occur most often with Société de Distribution Aéroportuaire and Tav Construction and signed under normal market conditions.

## NOTE 11 SUBSEQUENT EVENTS

Aéroports de Paris SA has taken note of the decision of the Autorité de Supervision Indépendante (ASI, Independent Supervisory Authority) published on 19 January 2017 not to approve the proposed aviation fee tariffs applicable from 1 April 2017. The refusal of approval was primarily motivated by a technical consideration in the fee for the provision of the computerised check-in and boarding system (CREWS).

The regulatory provisions lay down that Aéroports de Paris SA should present a new proposal for 2017 tariffs within one month of the decision of the ASI, and that the latter is invited to issue its decision within 15 days of the new notification of tariffs.

Aéroports de Paris SA specifies that it does not anticipate any modification in the financial equilibrium of the company due to the application of the 2017 tariff grid that Aéroports de Paris SA is willing to propose to the ASI.

## 20.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

*This is a free translation into English of the Statutory Auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.*

*The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.*

*This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

Year ended 31 December 2016

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended 31 December 2016, on:

- ◆ the audit of the accompanying financial statements of Aéroports de Paris;
- ◆ the justification of our assessments;
- ◆ the specific verifications and information required by law.

The financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

### I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2016 and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying our opinion expressed above, we draw your attention to the following matters:

- ◆ Notes 4.2, 4.5 and 6.2 to the financial statements describe the change in accounting policy introduced by the regulation ANC 2015-06, related to the merger losses accounting treatment, which conducted as of 1 January 2016 to reallocate prospectively in the balance sheet these merger losses from "Intangible assets" to "Financial assets".

### II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- ◆ Note 4.5 to the financial statements sets out the accounting principles and methods used to measure equity investments. When their value in use is less than their carrying value, your Company records an impairment. Our procedures consisted in examining the financial information and key assumptions used for determining the value in use, and in verifying the calculations computed by the Company;

- ◆ Note 4.4 to the financial statements describes the accounting principles and procedures used to measure, and record impairment of, property, plant and equipment. We have examined the methods adopted by your Company to carry out these measurements and, based on the information available, we have verified their implementation. We also have ensured that note 6.1 to the financial statements provides an appropriate disclosure;

- ◆ Note 4.3 to the financial statements sets out the accounting principles and methods relating to the recognition of revenue, and in particular, the revenue from airport safety and security services. As part of our assessment of the accounting principles and methods adopted by your Company, we have verified the appropriateness of these accounting methods and ensured that they were correctly applied.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

### III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report regarding the fair presentation and consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (*Code de commerce*) relating to remuneration and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders or holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, March 8, 2017  
The Statutory Auditors  
French original signed by

DELOITTE & ASSOCIÉS

ERNST & YOUNG Audit

Thierry Benoît

Olivier Broissand

Jacques Pierres

Alban de Claverie



## 20.5 PRO FORMA FINANCIAL DATA

Not applicable.

## 20.6 NOT APPLICABLE INTERIM FINANCIAL DATA

Not applicable.

## 20.7 DIVIDEND DISTRIBUTION POLICY

### Amount of dividends distributed during the course of the last three financial years

- ◇ With respect to 2015: €258 million or €2.61 per share, representing a payout ratio of 60% of net income;
- ◇ with respect to 2014: €241 million or €2.44 per share, representing a payout ratio of 60% of net income;
- ◇ with respect to 2013: €183 million or €1.85 per share, representing a payout ratio of 60% of net income.

### Dividend distribution policy

At the Annual General Meeting of Shareholders on 3 May 2016, a dividend payment of €2.61 per share for the 2015 financial year was voted. The ex-dividend date was fixed to 31 May 2016. Given that the payment of the interim dividend (€0.70) in December 2015, the dividend settlement (€1.91) was paid on 2 June 2016. This dividend corresponds to a payout ratio of 60% of the 2015 net income attributable to the group.

The Board of Directors of Aéroports de Paris has decided to implement a policy for the payment in cash of an interim dividend up until the financial year ending on 31 December 2020. For the 2016 financial year, this interim dividend amounts to €69 million, *i.e.* €0.70 per share. The ex-interim dividend date was 7 December 2016 and the interim dividend for 2016 was paid out on 9 December 2016.

This dividend corresponds to a payout ratio of 60% of the 2015 net income attributable to the group, unchanged compared to 2015. As a reminder, the payout ratio was increased from 50% to 60% in 2013, for the 2012 financial year dividends.

Since 1 January 2013, all dividends and interest paid for the benefit of natural persons are subject to the progressive scale for income tax after a reduction of 40%. The option for flat-rate withholding tax, as provided in article 117 quater of the General Tax Code has been discontinued.

### Statute of limitation

Unclaimed dividends shall lapse to the government authorities at the end of a five-year period as from their date of payment.

## 20.8 LEGAL AND ARBITRATION PROCEEDINGS

To date, other than the disputes mentioned below, neither Aéroports de Paris nor any of its subsidiaries have been in the past or are currently party to any legal action or arbitration procedure before an independent authority, government body or non-jurisdictional authority, that could give rise in the future, or has given rise in the last 12 months, to material adverse impacts on the financial position, business, income or assets of Aéroports de Paris or of its subsidiaries.

The overall consolidated provisions created for all group litigation and claims is shown in note 8.1 to the consolidated financial statements in Chapter 20.

The most significant disputes and claims were as follows:

### JSC Investissements

On 13 July 2013, JSC Investissements initiated an action for compensation before the Paris Commercial Court following the decision of Aéroports de Paris in 2004 not to grant an authorisation of temporary occupation of public property concerning the construction and operation of a centre for shopping and services on Paris-Charles de Gaulle airport site. The Court of Appeal, by a decision of 18 March 2015, confirmed the lack of jurisdiction of the civil courts, in favour of the administrative courts. JSC appealed against the decision.

Finally, the Jurisdictional Court, by a decision of 4 July 2016, recognised the jurisdiction of the administrative courts to hear the case and returned the parties to the Paris Administrative Court.

By decision of 19 January 2017, the Paris Administrative Court denied JSC Investments all of its claims. An appeal against this decision has been filed against JSC Investments.

## Terminal 2E

Following the collapse of part of the pier in terminal 2E of Paris-Charles de Gaulle airport on 23 May 2004, the criminal proceedings arising from the investigation of Aéroports de Paris, Bureau Veritas, GTM and Ingerop are still under way.

## Petitions relating to fees

### Fees for the supply of check-in counters, boarding and local baggage handling at Paris-Charles de Gaulle airport

Some airline companies have submitted appeals for the rescission of the fare decisions setting the level of the fees, for the following periods respectively:

- ◆ 2011-2012: Transat Company filed before the Paris Administrative Court a claim for abuse of power regarding the decision on tariffs taken by Aéroports de Paris. The case is in progress;
- ◆ 2013-2014: by decree of 2 November 2016, the Paris Administrative Court of Appeal rejected the plaintiffs' claim;
- ◆ 2014-2015: by decree of 2 November 2016, the Paris Administrative Court of Appeal rejected the plaintiffs' claim;

- ◆ 2015-2016: The claim was rejected by the Paris Administrative Court on 12 July 2016;

- ◆ 2016-2017: claim initiated on 8 April 2016. The case is in the investigative phase.

### ERA pricing clauses

On 30 June 2016, the Council rejected the claim lodged by the Syndicat des Compagnies Aériennes Autonomes (Scara) filed a claim for excess of power with the Council of State in order to have the pricing clauses of the 2016-2020 Economic Regulation Agreement signed between the French Government and Aéroports de Paris on 31 August 2015 overturned.

Airport fees for 2016-2017:

- ◆ With regards to the fees published on 26 January 2016: on 18 March 2016, Air Corsica, ASL Airlines, Hex'Air and Twin Jet filed a claim for excess of power before the Council of State in order to cancel:
  - ◆ the decision on the approval of the airport fees applicable from 1 April 2016 to 31 March 2017 for Paris airports made on 21 January 2016 by the unduly constituted Independent Supervisory Authority, and
  - ◆ Aéroports de Paris' decision relating to airport fees applicable for this same period.

The case is pending before the authorities.

- ◆ with regards to fees published on 8 September 2016 which replace the previous ones and enter into force on 1 April 2016, on 31 October 2016, Twin Jet and Air Corsica filed a claim for abuse of power before the Council of State in order to cancel:
  - ◆ the decision on 1 September 2016 taken by the new Independent Supervisory Authority on the approval of airport fees applicable from 1 April 2016 to 31 March 2017 at Paris airports, and
  - ◆ Aéroports de Paris' decision relating to airport fees applicable for the same period.

On 30 November 2016, Twin Jet filed an interim claim before the Council of State for the suspension of the aforementioned fees. Both actions cases are in the investigative phase.

## 20.9 MATERIAL CHANGE IN THE FINANCIAL OR COMMERCIAL POSITION SINCE 31 DECEMBER 2016

Significant events occurring between the end of the 2016 financial year and 22 February 2017, the date on which the accounts were approved by the Board of Directors, are mentioned in note 17 to the consolidated

financial statements in Chapter 20. Significant events occurring between 22 February 2017 and the date of filing of this Registration Document are included in Chapter 12 hereof.



## ADDITIONAL INFORMATION ON THE SHARE CAPITAL AND PROVISIONS OF THE ARTICLES OF ASSOCIATION <sup>AFR</sup>

### 21.1 INFORMATION ON THE SHARE CAPITAL 253

Share capital	253
Authorisation of share buybacks by Aéroports de Paris	253
Non-capital securities	255
Capital authorised but not issued	255

### 21.2 PROVISIONS OF THE ARTICLES OF ASSOCIATION

	256
Corporate object	256
Management bodies	256
Rights attached to shares	256
Modification of the share capital and rights attached to the shares	256
General Meetings of Shareholders	257
Provisions of Articles of Association resulting in the delaying, deferring or preventing a change in controlling interest	257
Identification of shareholders	257
Double voting rights	257
Breaching of thresholds	257

## 21.1 INFORMATION ON THE SHARE CAPITAL

### Share capital

As of the date of this report, the Company's share capital totalled €296,881,806, divided into 98,960,602 fully paid-up shares of the same category, with a par value of €3 each. No changes were made to the share capital in 2016. Shares in Aéroports de Paris have been traded on the Euronext Paris (compartment A) under the ADP symbol since 16 June 2006.

Aéroports de Paris was converted into a public limited company with capital of €256,084,500 divided into 85,361,500 shares with a par value of €3 in accordance with the decree of 20 July 2005.

### Authorisation of share buybacks by Aéroports de Paris

#### Share buyback programmes in force

The Board of Directors of the Company implemented the share buyback programmes authorised by the Annual General Meeting of Shareholders of 18 May 2015 (between 1 January and 3 May 2016) and that of 3 May 2016 (between 4 May and 31 December 2016), within the framework of a liquidity contract concluded with Rothschild & Cie Banque. The sum of €35 million was assigned by the Board of Directors to the liquidity account.

The maximum purchase price per share for the share buyback programme in place as at 31 December 2016 was €170, excluding acquisition costs, under the liquidity contract, and €140, excluding acquisition costs,

for other transactions in the share buyback programme. The maximum amount that the Company can allocate to the share buyback programme cannot exceed €550 million.

## Transactions relating to treasury shares carried out within the framework of the liquidity contract between 3 May 2016 and 3 March 2017:

Cumulative gross flows	Number of shares	Average price (in euros)	Valuation (in euros)
Number of shares at 3 May 2016	0		
Purchases	177,071	101.0877	17,899,753.25
Sales	177,071	101.2305	17,924,985.86
Number of shares as at 3 March 2017	0		

No operation has been carried out within the framework of the share buyback programme through the use of a derivative product.

## Summary of the operations completed by the Company with its own securities within the framework of the programme authorised by the Annual General Meeting of Shareholders of 18 May 2015 and 3 May 2016

As at 3 March 2017, Aéroports de Paris did not hold any treasury shares. The contract liquidity account had a credit balance of €8,594,201.03, the budget of €35 million authorised by the Board had not been fully called upon at that stage. As at that date, no position was open, with regard to buying or selling, within the framework of the share buyback programme.

Aéroports de Paris implemented its share buyback programme under article L. 225-209 of the French Commercial Code and pursuant to the liquidity contract, in order to set up a share buyback programme for members of the group savings plan (see paragraph below). In this context, a mandate was given to an independent provider on 24 November 2015, for a total of €24 million, at a maximum purchase price of €113 including costs. The share buyback programme ended on 29 December 2015 after the purchase of 224,290 shares, at an average price of €106.7. The share buyback programme was relaunched on 18 January 2016 until 26 January 2016, and then from 17 to 26 February 2016 and again from 17 to 22 March. At 22 March 2016, the Company held 401,690 treasury shares, excluding the liquidity contract.

The shares allocated to the free allocation of shares will be delivered on 4 May 2017 to those members who subscribed to the plan.

## Creation of a share-ownership structure

In the second half of 2015, the group made a commitment to create a share-ownership structure, which was finalised during the first half of 2016. It comprised two facets: on the one hand, an option for employees of the Company and its subsidiaries who are members of the group savings plan in its latest amended version and for retired and early retired employees having retained shares in the plan, to acquire Company shares under preferential conditions and, on the other hand, a free and uniform allocation to the same employees of 12 Company shares, authorised by the Extraordinary General Meeting of Shareholders of 3 May 2016 and implemented on the same day by the Board of Directors.

## Outline of share buyback programme subject to approval by the General Meeting of Shareholders of 11 May 2017

The Board of Directors' Meeting of 22 March 2017 submitted a resolution to the General Meeting of Shareholders of 11 May 2017 (18<sup>th</sup> resolution)

aimed at renewing the authorisation given to the Board of Directors to decide, subject to the provisions of the final paragraph of article L. 6323-1 of the French Transport Code, to implement a share buyback programme enabling transactions to be made on the Company's shares.

Pursuant to articles 241-2 and 241-3 of the general regulations of the AMF, as well as European regulation no. 2273/2003, the Company presents below a description of the share buyback programme, which will then be submitted to approval by vote of the shareholders.

Maximum share of the capital available for buyback by the Company: 5% of the number of shares making up the Company capital (on an indicative basis 4,948,030 shares as of 22 March 2017) on the date of purchase; the total number of shares held on a given date cannot exceed 10% of the existing Company capital on the same date.

## Objectives of the programme:

- ◆ influencing the secondary market or liquidity of Aéroports de Paris shares through a liquidity contract with an independent investment services provider, in accordance with the code of conduct recognised by the AMF;
- ◆ allocating or transferring shares to employees under the terms of profit-sharing and implementing any Company or group employee savings scheme as provided for by law, and in particular articles L. 3332-1 et seq. of the French Labour Code;
- ◆ allocating free shares to employees under the provisions of articles L. 225-197-1 of the French Commercial Code;
- ◆ cancelling the shares thus acquired, subject to authorisation by an Extraordinary General Meeting;
- ◆ delivering shares on the exercising of rights attached to securities giving access to capital by way of redemption, conversion, exchange, presentation of a warrant or in any other way;
- ◆ holding and delivering shares (by way of payment, exchange or contribution) as part of external growth transactions, mergers, spin-offs or contributions;
- ◆ enabling the Company to conclude transactions for any authorised purpose or any purpose such as may become authorised by law or applicable regulations;

The shares bought back and held by Aéroports de Paris will be deprived of their voting rights and will not give any entitlement to dividend payments. The purchase, sale or transfer of the shares may occur within the limits authorised by the provisions of the applicable laws and regulations, and by all means excluding the sale of put options, on one or more occasions, on regulated markets, multilateral trading systems or over the counter, including by the purchase or sale of blocks, public share purchase, sale or



exchange offer, use of options or other financial instruments negotiated on a regulated market or over the counter or by delivery of shares subsequent to the issuing of securities giving access to the Company's capital by way of conversion, exchange, redemption, exercising of warrants or in any other way, whether directly or indirectly via an investment services provider (without limiting the portion of the buyback programme which may be made in this way).

The Company may, within the framework of the current authorisation, purchase shares up to a maximum purchase price per share equal to €170, excluding acquisition costs, under the liquidity contract, and equal to €140, excluding acquisition costs, for other transactions in the programme. The total amount allocated for executing the programme is €550 million.

The duration of the programme is 18 months from 11 May 2017, or until 11 November 2018.

The Board of Directors' Meeting on 22 March 2017 resolved, subject to the condition precedent of approval by the General Meeting of Shareholders on 11 May 2017 of the draft resolution relating to authorising the Board of Directors to conclude transactions on Company shares, to implement the share buyback programme authorised by said Shareholders' Meeting as part of the liquidity contract signed by Aéroports de Paris and an investment services provider, namely, on the date of this Registration Document, Rothschild & Cie Banque. The sum of €35 million will remain allocated for this purpose.

## Non-capital securities

Aéroports de Paris' outstanding bond issues amounted to €3,868 million as of 31 December 2016. They are broken down in note 9.4 to the consolidated financial statements in Chapter 20.

## Capital authorised but not issued

Authorisations remaining valid to increase and reduce the current capital at the date of this Registration Document:

Subject	Global ceiling or maximum nominal amount (26-months authorisations)
Share capital increase with preservation of the pre-emptive subscription right	Share capital increase: €97 million <sup>(P)1,6</sup> Issue of debt securities: €500 million <sup>2</sup>
Share capital increase with removal of the pre-emptive subscription right through public offering	Share capital increase: €29 million <sup>(P)3, 6</sup> Issue of debt securities: €500 million <sup>2</sup>
Share capital increase with removal of the pre-emptive subscription right through a private placement offer	Share capital increase: €29 million <sup>(P)1, 6</sup> Issue of debt securities: €500 million <sup>2</sup>
Increase in the amount of securities in the case of a capital increase with or without pre-emptive rights	Increase in the amount of securities to be issued: 15% of original issue <sup>(P)4,6</sup>
Capital increase through the incorporation of premiums, reserves, profits or other	Share capital increase: €97 million <sup>5</sup>
Share capital increase reserved for subscribers to an Employee Savings Scheme	Share capital increase: €2.9 million <sup>(P) 3</sup>
Capital increase in payment for a public exchange offer initiated by the Company	Share capital increase: €29 million <sup>(P)3</sup> Issue of debt securities: €500 million <sup>2</sup>
Capital increase with a view to payment in contributions in kind	Share capital increase: 10% of share capital at the time of the issue <sup>(P)3</sup>
Free allocation of existing shares	Allocation of shares 1% of share capital
Dilutive share capital increase (global cap)	Global cap for dilutive share capital increases €97 million Global cap to which the following sub-caps are added: ♦ €97 million, or 33% of capital for share capital increases with preservation of the pre-emptive subscription right <sup>1</sup> ♦ €29 million, or 10% of capital for share capital increases with removal of the pre-emptive subscription right <sup>3</sup> ♦ €29 million, or 10% of capital for share capital increases during public offer periods <sup>6</sup>
Share capital increases during public offer periods (global cap)	Global cap for share capital increases during public offer periods: €29 million <sup>(P)3, 6</sup>

<sup>(P)</sup> With attribution to the global cap of dilutive capital increases of €97 million par value.

<sup>1</sup> With attribution to the global cap of capital increase with preservation of pre-emptive rights of €97 million par value.

<sup>2</sup> With attribution to the global cap of an issue of securities giving access to Company debt of €500 million.

<sup>3</sup> With attribution to the global cap of capital increase with removal of pre-emptive rights of €29 million par value.

<sup>4</sup> With, for an issue with preservation of pre-emptive rights, attribution to the cap<sup>1</sup> and for an issue with removal of pre-emptive rights, attribution to cap<sup>3</sup>.

<sup>5</sup> Without attribution to the global cap for dilutive capital increases.

<sup>6</sup> With attribution to the global cap of capital increase of €29 million par value in the event of a capital increase during a period of an offer on the Company.

The authorisations are approved for 26 months (expiry July 2018).

The shareholders granted these authorisations to the Board of Directors during the Combined General Meeting of 3 May 2016. None of these delegations had been used on the date on which this Registration Document was filed.

Only the free allocation of existing shares had been implemented.

### Information on the Company capital and that of subsidiaries subject to an option or an agreement made towards placing it under stock option

No stock option plan has been set up by the Company.

Where the Hublink alliance is concerned, please see the respective paragraphs in Chapter 18 entitled "Alliance with Schiphol Group" for a description of (1) the shareholder agreement involving Aéroports de Paris signed by the French Government and Schiphol Group, (2) the shareholder agreement involving Schiphol Group signed by Schiphol Group, the Dutch Government, the City of Amsterdam and the City of

Rotterdam, and (3) the Exit Agreement signed by Aéroports de Paris and Schiphol Group.

Where the marketing and service business activities are concerned, please see the paragraph entitled "Joint Venture Business Activities" in Chapter 6, for a description of the contractual agreements signed by Aéroports de Paris (i) and companies in the Lagardère Services Group, and for the Société de Distribution Aéroportuaire and Relay@ADP joint ventures, (ii) and JCDecaux France SAS and (iii) Select Service Partner for catering services, and for the Epigo company.

Where property operations are concerned, please see (1) the paragraph entitled "Property Operations at the Paris-Orly platform" in Chapter 6 for a description of the contractual agreements that Aéroports de Paris has signed with Altarea and Foncière des Régions in connection with the Cœur d'Orly project, and (2) the paragraph entitled "Other Developments" in Chapter 6 for a description of the contractual agreements signed with Schiphol Real Estate, Schiphol Group's property subsidiary, in connection with the Continental Square 3 building.

## 21.2 PROVISIONS OF THE ARTICLES OF ASSOCIATION

### Corporate object

In accordance with article 2 of the Articles of Association, the purpose of the Company, in France and abroad, is to:

- ◆ perform the construction, laying-out, operation and development of airport facilities;
- ◆ develop any industrial or service activity in the airport area for all categories of customers;
- ◆ enhance the value of all the movable and real estate assets it owns or uses;
- ◆ take, acquire, operate or assign all processes and patents concerning activities related to the aforementioned purposes;
- ◆ directly or indirectly take part in any transactions that could relate to any of these purposes, through the incorporation of new companies and undertakings, contribution, subscription or purchase of securities or corporate rights, acquisition of interest, merger, association or otherwise;
- ◆ generally, carry out any industrial, commercial, financial, movable or real estate transactions directly or indirectly related to any of the aforementioned purposes.

### Management bodies

See Chapters 14 and 16.

### Rights attached to shares

Pursuant to article 11 of the Articles of Association, each share shall entitle the holder to profits and Company assets in a proportion corresponding to the portion of capital that it represents.

It also entitles the holder to voting rights and the right to be represented at Shareholders' Meetings in accordance with the Company's Articles of Association and applicable laws and regulations. Therefore, at all General

Meetings of Shareholders, each shareholder has as many votes as the number of paid up shares he/she owns or represents, without limitations other than those that could result from legal provisions. The Articles of Association of Aéroports de Paris have not been modified to oppose the application of article L. 225-123 of the French Commercial Code, as amended by Law no. 2014-384 of 29 March 2014, intended to reclaim the real economy, known as the "Florange Law". As a result, as of 3 April 2016, in accordance with the aforementioned law, fully paid-up shares which have been registered for at least two years in the name of the same shareholder will automatically be entitled to double voting rights.

Ownership of a share automatically means that the owner fully complies with the Articles of Association and decisions taken at General Meetings of Shareholders.

Shareholders will bear losses only up to the limit of their contribution.

Inheritors, creditors, successors in title and other representatives of a shareholder may not request the placing under seal of the Company's assets and securities, nor ask for the division or sale thereof by auction, nor interfere in its administration. To exercise their rights, they must refer to the financial statements and decisions of the General Meetings of Shareholders.

Each time that it will be necessary to own several shares to exercise any right whatsoever, in case of exchange, consolidation, attribution of shares or as a result of a capital increase or reduction, merger or any other corporate action, the owners of isolated shares or shares that are less than the amount required, can exercise this right only if they personally see to the consolidation and if necessary, the purchase or sale of the number of necessary shares.

### Modification of the share capital and rights attached to the shares

Any change in the capital or voting rights attached to the securities forming it shall be submitted to general law rules, since the Articles of Association do not include any special provisions.



## General Meetings of Shareholders

### Notice of meetings

In accordance with article 20 of the Articles of Association, Ordinary and Extraordinary General Meetings of Shareholders and Special Meetings, if any, are called, are held and rule under the conditions provided for by the law. They are held at the registered office or in any other place, including in another department, mentioned in the notice of meeting.

### Participation in meetings

All shareholders, regardless of the number of shares they hold, are entitled to attend the General Meetings of Shareholders and to take part in decisions, whether in person or through an intermediary. The right of shareholders to participate in Ordinary or Extraordinary General Meetings is subject to registration in an account of shares on behalf of the shareholder or the intermediary registered on his or her behalf on the date set by the laws and regulations in force, either in the registered securities accounts held by the company or in bearer securities accounts maintained through authorised intermediaries.

Registration of securities in bearer share accounts held by the official intermediary is recorded by an attestation provided by the intermediary, by electronic means, as an attachment to the form for remote voting or voting by proxy or to the official admission drawn up in the name of the shareholder or to the account of the shareholder represented by the registered intermediary. Shareholders wishing to attend the meeting in person who have not received their official admission on the second working day preceding the meeting at midnight (Paris time), may also make arrangements to have a certificate issued.

The Board of Directors may, if it deems it useful, deliver to shareholders named and personal passes and require the presentation of such passes to have access to the General Meeting of Shareholders.

If the Board of Directors so decides at the time of the calling of the meeting, shareholders may attend the meeting by videoconference or through any telecommunication means enabling their identification under the terms and conditions set by applicable regulation.

Each shareholder may grant a proxy under the terms and conditions stipulated by law and regulations. Shareholders may also vote by correspondence under legal conditions. Shareholders who have voted by correspondence will no longer have the right to participate directly in the Shareholders' Meeting or to be represented there.

Owners of securities mentioned in the third paragraph of article L. 228-1 of the French Commercial Code (owners who are not domiciled in France, as defined in article 102 of the French Civil Code) may be represented, under the conditions provided for by law, by a registered intermediary.

### Rules applicable to amendments to the Articles of Association

Only an Extraordinary General Meeting is empowered to amend all of the terms of the Articles of Association. However, it cannot increase the commitments of shareholders, with the exception of regular operations resulting from the consolidation of shares. Also without prejudice to this, it requires a majority of two-thirds of the votes of shareholders present, represented or that have voted by correspondence.

## Provisions of Articles of Association resulting in the delaying, deferring or preventing a change in controlling interest

Pursuant to article 7 of the Company's Articles of Association, and in accordance with the provisions of article L. 6323-1 paragraph 2 of the French Transport Code, "changes in the share capital cannot result in the government authorities losing the majority stake in the share capital".

## Identification of shareholders

21

In accordance with article 9 of the Articles of Association and the French Commercial Code, the shares are registered shares or bearer shares, at the shareholder's choice, subject to legal and regulatory provisions. Shares may be registered in the name of an intermediary under the conditions set forth by articles L. 228-1 et seq. of the French Commercial Code. The intermediary is bound to disclose its capacity as intermediary holding securities on behalf of a third party, in accordance with the laws and regulations.

The provisions of the above paragraphs shall also apply to other securities issued by the Company.

The Company is entitled, in accordance with applicable laws and regulations, to request at any time, in exchange for compensation payable by it, from the central depository that keeps the accounts of the shares issued, as the case may be, the name, nationality, year of birth or incorporation, and the address of the holders of securities carrying the right to vote in its general meetings immediately or in the future, as well as the number of securities held by each one and, as the case may be, any restrictions affecting the securities. The Company may, after viewing the list sent by the aforementioned body, ask the persons appearing on this list and whom the Company considers could be registered on behalf of third parties, for the above information regarding the owners of securities.

In case of registered securities giving access to existing or future shares, the intermediary registered under the conditions set out in article L. 228-1 of the French Commercial Code is bound, within ten business days as from the request, to disclose the identity of owners of securities, and the quantity of securities held by each of them upon simple request of the Company or its agent, request that can be submitted at any time.

## Double voting rights

Pursuant to article L. 225-123 of the French Commercial Code, since 3 April 2016, shareholders holding registered share for more than two years, have been automatically entitled to double voting rights.

## Breaching of thresholds

Under the terms of article 9 of the Articles of Association of Aéroports de Paris, any natural person or legal entity, acting individually or in concert, who should come to own, within the meaning of article L. 233-9 of the French Commercial Code, directly or indirectly, a number of shares or voting rights equal to or greater than 1% of the share capital of Aéroports de Paris or the voting rights therein is required, no later than the close of trading on the fourth trading day following the breaching of thresholds with effect from the registration of shares making it possible to reach or exceed this threshold, to declare to the Company the total number of shares and voting rights so held.

In addition, such person must also inform Aéroports de Paris, in his or her letter disclosing that thresholds have been exceeded, of the specific information outlined in the third paragraph of section I of article L. 233-7 of the French Commercial Code.

This disclosure must be repeated in the above manner each time another 1% threshold is reached or crossed, both upwards and downwards, for whatever reason, up to the 5% threshold provided for within article L. 233-7 of the French Commercial Code. When the aforementioned 5% threshold is exceeded, a disclosure must be made under the same conditions as set out above each time another 0.5% threshold is reached or crossed, both upwards and downwards, for whatever reason. Since 2009, the system of declaring thresholds has been expanded to include certain derivative financial products.

The Articles of Association for Aéroports de Paris provide that in the case of non-compliance with this obligation to disclose that the thresholds have been exceeded, the shareholder or shareholders concerned holding at least 3% of the capital of or voting rights in Aéroports de Paris may lose the right to vote relating to the securities exceeding the limits subject to disclosure at a General Meeting of Shareholders.

Moreover, pursuant to the provisions of the French Commercial Code, all individuals or legal entities, acting alone or in concert, who own a number of shares representing more than 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, 66.66%, 90% and 95% of the capital or voting rights of the Company, must inform the Company and the French Financial Markets Authority (AMF) in writing of the total number of shares or voting rights they own, no later than the close of business on the fourth day following the threshold being crossed. The thresholds declared to the AMF are made public by the latter. This information is also transmitted under the same time restrictions and conditions, when the share of capital or voting rights held is lower than the thresholds specified above. Decree no. 2009-105 of

30 January 2009 and law No. 2012-387 of 22 March 2012, modifying the French Commercial Code, added to this system of declaring thresholds, particularly by expanding it to include certain derivative financial products and by increasing reporting requirements.

Unless they are duly declared, the shares exceeding the portion that should have been declared in accordance with the above-mentioned provisions of the Articles of Association shall be deprived of voting rights for all Shareholders' Meetings to be held until the expiry of a two-year period following the date of regularisation of the notification.



22

## MATERIAL CONTRACTS

Material contracts other than those entered into in the ordinary course of business to which Aéroports de Paris or any other member of the group is a party are the following:

- ◆ the agreements signed on 16 May 2012 regarding the acquisition of a 38% interest in TAV Airports and a 49% interest in TAV Construction (see the paragraphs entitled "TAV Airports" and "TAV Construction" in Chapter 6);
- ◆ the Economic Regulation Agreement signed on 31 August 2015 with the French Government for the 2016-2020 period (see the Chapter 6 paragraph "Fees");
- ◆ the agreement signed on 30 March 2006 between the government authorities and Aéroports de Paris setting forth the terms and conditions of retrocession by Aéroports de Paris to the government authorities of a portion of the real estate capital gain in the event of a closure to public air traffic of all or part of an airfield operated by Aéroports de Paris (see the paragraph in Chapter 8 entitled "Real estate property and facilities");
- ◆ the agreement entered into on 27 July 2007 between the government authorities and Aéroports de Paris setting the terms under which Aéroports de Paris makes available to the government authorities and its services the land and buildings as well as various types of lands and buildings that enable Aéroports de Paris to carry out its public service missions (see the special report of the Statutory Auditors on related-party agreements and commitments for the financial year ended 31 December 2015 presented in appendix 1);
- ◆ the contractual agreements relating to the industrial cooperation with the Schiphol Group, mainly comprising: the industrial cooperation agreement entered into on 14 November 2008 between Aéroports de Paris and the Schiphol Group (described in Chapter 6 "Partnership with Schiphol Group"), the shareholders' agreement relating to Aéroports de Paris signed on 1 December 2008 between the French Government and the Schiphol Group, in the presence of Aéroports de Paris, the shareholders' agreement relating to the Schiphol Group concluded on 1 December 2008 between the Schiphol Group, the Dutch Government, the City of Amsterdam and the City of Rotterdam, as described, and the Exit Agreement signed on 1 December 2008 between Aéroports de Paris and Schiphol Group (described in Chapter 18 under "Agreements likely to have an impact in the event of a public offering").



23

## INFORMATION FROM THIRD PARTIES, EXPERT STATEMENTS AND STATEMENTS OF INTEREST

Not applicable.



## DOCUMENTS AVAILABLE TO THE PUBLIC

The Company's press releases and Registration Documents including, in particular, historical financial data on the Company that have been filed with the AMF are available on the Company website at the following address: [www.groupeadp.fr](http://www.groupeadp.fr), and a copy of which may be obtained at the Company's registered office, 1 rue de France, 93 290 Tremblay en France.

The Articles of Association for Aéroports de Paris and the minutes of General Meetings of Shareholders, the Company financial statements and consolidated statements, the Statutory Auditors' reports and all other corporate documents are available, under the French Commercial Code, in hard copy, at the Company's registered office.

### Investor Relations

#### Aurélie Cohen

Head of Investor Relations

#### Caroline Baude

Investor Relations Officer

#### Sandrine Blondeau

Investor Relations Assistant

E-mail: [invest@adp.fr](mailto:invest@adp.fr)

Address: 1 rue de France, 93 290 Tremblay-en-France

Postal address: 1 rue de France, BP 81007, 95931 Roissy Charles de Gaulle Cedex

Telephone: + 33 (0)1 74 25 70 64

## Financial calendar

### Results, revenue and general meeting

Results, revenue and general meeting	Publication date	Quiet period
2017 First quarter revenue	Wednesday 26 April 2017	From 12 to 25 April 2017
Annual general meeting of shareholders	Thursday 11 May 2017	
2017 Half-year results	Monday 24 July 2017	From 4 to 23 July 2017
2017 9-Month revenue	Thursday 26 October 2017	From 13 to 25 October 2017

### Monthly traffic figures

Monthly traffic figures	Publication date
December 2016 traffic figures	12 January 2017
January 2017 traffic figures	14 February 2017
February 2017 traffic figures	14 March 2017
March 2017 traffic figures	11 April 2017
April 2017 traffic figures	15 May 2017
May 2017 traffic figures	13 June 2017
June 2017 traffic figures	11 July 2017
July 2017 traffic figures	10 August 2017
August 2017 traffic figures	12 September 2017
September 2017 traffic figures	11 October 2017
October 2017 traffic figures	14 November 2017
November 2017 traffic figures	12 December 2017



25

## INFORMATION ON ACQUISITIONS

Information concerning companies in which the Company holds sufficient stock to be capable of having a significant impact on the appraisal of its assets, financial situation or its income is contained in Chapter 6.



A1

# STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

*This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.*

*This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.*

## GENERAL MEETING OF SHAREHOLDERS TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms, conditions and the reasons for the company's interest of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with article R. 225-31 of the French commercial code (*Code de commerce*), to evaluate the benefits resulting

from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with article R. 225-31 of the French commercial code (*Code de commerce*) concerning the implementation, during the year, of the agreements and commitments already approved by the general meeting of shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

## Agreements and commitments submitted for approval by the general meeting of shareholders

In accordance with article L. 225-40 of the French commercial code (*Code de commerce*), we have been advised of certain related party agreements and commitments which received prior authorization from your board of directors.

### 1 With the State, the main shareholder of your company or with public bodies

#### Persons concerned

The State is represented par by the following administrators:

- ◆ Mrs. Geneviève Chaux Debry;
- ◆ Mrs. Solenne Lepage;
- ◆ Mrs. Muriel Pénicaud;

- ◆ Mr. Gilles Leblanc;
- ◆ Mr. Michel Massoni;
- ◆ Mr. Denis Robin.

### 1.1 With Musée d'Orsay and Musée de l'Orangerie, public bodies

#### Nature and purpose

Agreement relating to a partnership with Musée d'Orsay and Musée de l'Orangerie to create visuals for the exhibition "Bienvenue in Paris" within a landing passageway of Terminal 2E of Paris-Charles de Gaulle airport.

## Conditions

At its meeting on 16 February 2016, your board of directors authorized the conclusion of an agreement relating to the partnership with Musée d'Orsay and Musée de l'Orangerie, signed on 23 February 2016, to create visuals for the exhibition "Bienvenue in Paris" within a landing passageway of Terminal 2E of Paris-Charles de Gaulle airport for a 3-year period with retroactive effect as of August 2015 until 31 July 2018. The reciprocal services, priced to K€ 124 excluding taxes, consist for your company in setting up visuals by the two partners with Musée d'Orsay and the landing passageway of the international hall L of Terminal 2E of Paris-Charles de Gaulle airport.

## Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the interest for your company of organizing the "Bienvenue in Paris" exhibition within Paris-Charles de Gaulle airport and benefiting of the visibility granted by Musée d'Orsay to your company as a partner.

## 1.2 With Musée du Louvre, public body

### Nature and purpose

Agreement relating to the partnership with Musée du Louvre to create visuals for a temporary exhibition about travels within the access tunnel to the satellite 4 of Terminal 1 of Paris-Charles de Gaulle airport.

### Conditions

At its meeting on 16 February 2016, your board of directors authorized the conclusion of an agreement relating to the partnership with Musée du Louvre, signed on 23 February 2016, to create visuals for a temporary exhibition about travels within the access tunnel to the satellite 4 of Terminal 1 of Paris-Charles de Gaulle airport. The reciprocal services, priced to K€ 63 excluding taxes, consist for your company in setting up visuals by the two partners with Musée du Louvre and on the different channels of communication of Musée du Louvre and within the access tunnel to satellite 4 of Terminal 1 of the Paris-Charles de Gaulle airport for a 2-year period with retroactive effect starting 16 September 2015.

## Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the interest for your company of organizing the "Tous les voyages sont au Louvre" exhibition within Paris-Charles de Gaulle airport and benefiting of the visibility granted by Musée du Louvre to your company as a partner.

## 1.3 With SNCF Réseau and Caisse des Dépôts et Consignations, public bodies

### Preamble

At its meeting on 26 March 2014, your board of directors authorized the conclusion of shareholders agreement that sets up the conditions of cooperation between the State, SNCF Réseau and your company within CDG Express Etudes S.A.S. company. Signed on 16 May 2014, this agreement defines, beyond the statutory rules, engagements and functions of each shareholder.

At its meeting on 16 December 2015, your board of directors authorized the signature of a preparatory protocol relating to the creation of a project company between SNCF Réseau and your company in order to carry on the rail connection "CDG Express" project. Signed on 2 March 2016, it forests out the conditions of cooperation between SNCF Réseau and your company within the project company, which will have to be created no later than 30 June 2016. The protocol provides for the performance of legal, economic, financial and technical studies necessary to the project, as well as a preliminary global budget of M€ 12 excluding taxes, shared equally between the two partners.

## A) AMENDMENT TO THE PROTOCOL OF 17 FEBRUARY 2016 IN ORDER TO EXTEND IT TO CAISSE DES DÉPÔTS ET CONSIGNATIONS

### Nature and purpose

Amendment to the shareholders' agreement between your company and SNCF Réseau to extend the rail connection "CDG Express" project to Caisse des Dépôts et Consignations.

### Conditions

At its meeting on 3 May 2016, your board of directors authorized the conclusion of an amendment to the shareholders' agreement between your company and SNCF Réseau for the rail connection "CDG Express" project in order to extend the terms and conditions of this shareholders' agreement to Caisse des Dépôts et Consignations. This amendment, signed on 24 May 2016, sets out that the parties shall undertake all the actions they can in order to create the project company before 31 December 2016 and to increase the preliminary global budget from M€ 12 to M€ 12.4 excluding taxes.

## Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the interest for your company of concluding this agreement with the purpose of carrying out together with SNCF Réseau and now Caisse des Dépôts et Consignations the studies that will guarantee the feasibility of the rail connection "CDG Express" project, which is a major project for the group.

## B) AMENDMENT NO. 2 TO EXTEND THE DURATION OF THE PROTOCOL IN ORDER TO CARRY ON THE RAIL CONNECTION "CDG EXPRESS" PROJECT

### Nature and purpose

Amendment no. 2 to the shareholders' agreement relating to CDG Express Etudes S.A.S. company between your company, SNCF Réseau and Caisse des Dépôts et Consignations.

### Conditions

At its meeting on 14 December 2016, your board of directors authorized the conclusion of a second amendment to the shareholders' agreement in order to extend the duration of the protocol until 30 June 2017, to update the additional studies and cap operating expenses to be supported by each partner as part of the project. The preliminary global budget initially set up to M€ 12, increased to M€ 12.4 excluding taxes by the first amendment, is increased by the second amendment to an amount of M€ 49.1 until 30 June 2017.

## Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the interest for your company to extend the duration of the shareholders' agreement with the purpose of carrying out together with SNCF Réseau and Caisse des Dépôts et Consignations the studies that will guarantee the feasibility of the rail connection "CDG Express" project, which is a major project for the company.

## 1.4 With the State and SNCF Réseau, public body

### Nature and purpose

Amendment to the shareholders' agreement relating to CDG Express Etudes S.A.S. company between your company, the State and SNCF Réseau.

### Conditions

At its meeting on 26 March 2014, your board of directors authorized the signature of shareholders' agreement that sets up the conditions of cooperation between the State, SNCF Réseau and your company within CDG Express Etudes S.A.S. company. Signed on 16 May 2014, this agreement defines, beyond the statutory rules, engagements and functions of each shareholder.

A1

At its meeting on 14 December 2016, your board of directors authorized the signature of an amendment to this shareholders' agreement, the purpose of which is to extend the duration of the CDG Express Etudes S.A.S. company for one more year, i.e. until 31 December 2017, as it appears, when looking at the calendar of the project, that the project company, which will have first to redeem the studies performed since 2014, will not be created before 31 December 2016, which is the actual end date of the CDG Express Etudes S.A.S. company.

#### **Motivations demonstrating the benefit of this agreement for the company**

Your board of directors has motivated this agreement considering the interest for your company to continue the studies related to the rail connection "CDG Express" project together with SNCF Réseau and Caisse des Dépôts et Consignations until the project company is created. These studies guarantee the feasibility of the rail connection "CDG Express" project, which is a major project for the company.

### **1.5 With SNCF Mobilités, public body**

#### **Nature and purpose**

Agreement related to rehabilitation works of the RER station of Roissypole, which sets out that your company will be in charge of the project management of the overall works that will affect the railway area managed by SNCF, with the exception of for the specific works that will be performed by SNCF Mobilités and supported financially by your company.

#### **Conditions**

At its meeting on 16 March 2016, your board of directors authorized your company the conclusion of an agreement with SNCF Mobilités related to rehabilitation works of the RER station of Roissypole. Signed on 18 January 2017, this agreement sets out the technical, financial and legal terms and conditions of the works that will impact the facilities of SNCF, in accordance with the agreement of 26 May 1976.

#### **Motivations demonstrating the benefit of this agreement for the company**

Your board of directors has motivated this agreement considering the interest for your company to control as much as possible the rehabilitation of the RER station of Roissypole, to perform the estate preservation works and to optimize the exchange hub by developing a trade and services hub more attractive for customers.

### **1.6 With l'École nationale supérieure Louis-Lumière, public body**

#### **Nature and purpose**

Agreement aimed at sponsoring l'École nationale supérieure Louis-Lumière (ENS Louis-Lumière) and helping to expand the influence of Groupe ADP and Paris Aéroports' brands.

#### **Conditions**

At its meeting on 29 June 2016, your board of directors authorized the conclusion of an agreement aimed at sponsoring ENS Louis-Lumière for the academic year 2016-2017 and helping to expand the influence of Groupe ADP and Paris Aéroports' brands thanks to an exhibition within Terminal 2F of Paris-Charles de Gaulle airport, using the students' works on the theme "the luminous radiation" in Paris and at Paris-Charles de Gaulle airport. This agreement, signed on 12 July 2016, sets out the terms and conditions of this sponsorship, especially the transfer of the copyright of students' pictures for a 6-year period, the visibility of Groupe ADP as a partner on the different channels of communication of ENS Louis-Lumière and the fact that Groupe ADP will bear the costs related to this project, i.e. K€ 3 excluding taxes.

#### **Motivations demonstrating the benefit of this agreement for the company**

Your board of directors has motivated this agreement considering the interest for your company of sponsoring ENS Louis-Lumière, organizing an exhibition within Paris-Charles de Gaulle airport thanks to the students' works and benefiting from the visibility granted by ENS Louis-Lumière to Groupe ADP as a partner.

### **1.7 With the public agency of the castle, museum and national estate of Versailles**

#### **Nature and purpose**

Agreement relating to the set-up of a photography exhibition of the Versailles estate in the access tunnel to satellite 3 of Terminal 1 of Paris-Charles de Gaulle airport.

#### **Conditions**

At its meeting on 29 June 2016, your board of directors authorized the conclusion of an agreement, signed on 6 July 2016, relating to the set-up of a photography exhibition of the Versailles estate in the access tunnel to satellite 3 of Terminal 1 of Paris-Charles de Gaulle airport. The reciprocal services, priced to K€ 178 excluding taxes, consist of:

- ◇ for the public body of the castle, museum and national estate of Versailles, the transfer of the visual copyrights of the exhibition for a 3-year period and the visibility of Groupe ADP as a partner on its different channels of communication;
- ◇ for Groupe ADP in providing for an exhibition area for a 3-year period starting 30 June 2016, and bearing the costs related to printing and setting up the exhibition and the communication on the exhibition and the public agency.

#### **Motivations demonstrating the benefit of this agreement for the company**

Your board of directors has motivated this agreement considering the interest for your company of organizing an exhibition within Paris-Charles de Gaulle airport and benefiting from the visibility granted by the castle, museum and the national estate of Versailles to Groupe ADP as a partner.

### **1.8 With the Ministry of the Interior**

#### **A) AGREEMENT REGARDING THE REGULARIZATION OF OVERDUE PAYMENTS OF THE MINISTRY OF THE INTERIOR - THE CIVIL SECURITY AND MANAGEMENT OF CRISIS AUTHORITY - REGARDING THE UTILIZATION OF PARIS-ISSY-LES-MOULINEAUX HELIPORT, THROUGH THE SIGNATURE OF A TRANSACTIONAL AGREEMENT**

#### **Nature and purpose**

Agreement regarding the regularization of overdue payments of the Ministry of the Interior as for the utilization of Paris-Issy-les-Moulineaux heliport, through the signature of a transactional agreement.

#### **Conditions**

At its meeting on 14 October 2015, your board of directors authorized the conclusion of a protocol that sets up the conditions of payment by the Ministry of the Interior of a part of the rents due related to the utilization of Paris-Issy-les-Moulineaux heliport, which amounts to K€ 355 inclusive of taxes for the period from 1998 to 2014.

At its meeting on 29 June 2016, your board of directors authorized the signature of the final protocol signed on 21 July 2016, which sets up the conditions of payment by the Ministry of the Interior of a part of the overdue rents which amounts to K€ 300 inclusive of taxes. This protocol puts an end to the dispute between your company and the Ministry of the Interior related to overdue payments for the period from 15 November 1998 to 31 December 2014.

### Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the benefit for your company of regularizing these overdue payments and putting an end to this dispute.

### B) AGREEMENT WITH THE STATE - MINISTRY OF THE INTERIOR - RELATED TO THE PROVISION OF DEVICES THAT USE THE PARAFE PROCESSING

#### Nature and purpose

Agreement related to the provision of devices that use the PARAFE processing (express lanes to external borders).

#### Conditions

At its meeting on 14 December 2016, your board of directors authorized the conclusion of an agreement related to the partnership between your company and the Ministry of the Interior for the renewal and deployment program of PARAFE locks. This agreement, signed on 4 January 2017, provides the terms and conditions of deployment, communication, governance and financing of the program, and is initiated for a 5-year period tacitly renewable for the same period in order to improve the conditions of air borders security. It is reminded that your company has accepted to bear all costs related to the PARAFE locks, as it considers that this program is aligned with the public interest from your company's point of view as well as from the State's point of view, and it reinforces the attractiveness of its platforms.

### Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the interest for your company, which is working on accelerating the deployment of PARAFE locks since these devices enable to increase the automatization of border controls in order to avoid long waiting periods and people concentration in a tense security context, to guarantee flights' punctuality, and to maintain the attractiveness of the Parisian platforms, while providing a high quality level of service to passengers.

## 1.9 Agreement entered into with Régie autonome des transports parisiens (RATP) and Syndicat des Transports d'Ile-de-France (STIF), public bodies

#### Person concerned

Mr. de ROMANET, chief executive officer of your company and administrator of RATP.

#### Nature and purpose

Agreement concluded with RATP and the STIF relating to the terms and conditions of operating and maintenance of works and facilities dedicated to the operation of T7 tramway and located on your company's estate.

#### Conditions

At its meeting on 29 June 2016, your board of directors authorized the conclusion of an operating and maintenance agreement. The purpose of the agreement, signed on 1 December 2016, is to define the terms and conditions for maintaining and operating the works and facilities dedicated to the operation of the tramway in order to guarantee the performance granted to the system of transport and establish the conditions of coordination of interfaces between the tramway operation and the management of adjacent parcels.

### Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the interest for your company to sign this agreement as it contributes to setting up the serving by the tramway of Paris-Orly airport, which facilitates the access to the platform and its attractiveness.

## 1.10 With Paris Musées, public body

#### Nature and purpose

Agreement relating to the partnership with Paris Musées to create an exhibition that will highlight the diversity and the richness of the municipal collections within Terminal 2F of Paris-Charles de Gaulle airport.

#### Conditions

At its meeting on 19 October 2016, your board of directors authorized the conclusion of an agreement, signed on 7 December 2016, which defines the terms and conditions of the partnership with Paris Musées. The reciprocal services, priced to K€ 78 excluding taxes, consist of:

- ◇ for the public body of Paris Musées, the transfer of the imagery copyrights of the exhibition for a 2-year period, and the visibility of your company as a partner on the different channels of communication;
- ◇ for your company in providing an exhibition area located at Terminal 2F of Paris-Charles de Gaulle airport for a 2-year period starting November 2016, and bearing the costs related to printing, setting up the exhibition and the communication on the exhibition and the public agency.

### Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the interest for your company of presenting to passengers exhibitions using the municipal collections so that passengers discover the richness, interest and diversity, benefiting from the visibility granted by Paris Musées to Groupe ADP as a partner.

A1

## 1.11 With the State, French Air Navigation Direction

#### Nature and purpose

Agreement related to the movement, maintenance and operation of the "Instrument Landing System" on Pontoise-Cormeilles en Vexin aerodrome.

#### Conditions

At its meeting on 19 October 2016, your board of directors authorized the conclusion of an agreement, signed on 20 October 2016, which defines the terms and conditions of the relocation, maintenance and operation works, which are at the risk and expense of your company, of the ("Instrument Landing System" or "ILS"), on Pontoise-Cormeilles en Vexin aerodrome. However the DNSA keeps the responsibility of the aircrafts approach control. The transfer costs of ILS have been estimated to K€ 160 excluding taxes, and the maintenance costs to K€ 80 excluding taxes.

### Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the interest for your company to observe the principle of uninterrupted airport public service by maintaining the landing assistance facilities on Pontoise-Cormeilles en Vexin aerodrome, the time needed for users to adapt their aircrafts to the new technologies of approach as defined by the navigation services.

## 1.12 With the Ministry of Defense

### A) AGREEMENT REGARDING THE SPECIFIC CONDITIONS APPLICABLE TO THE SUBSCRIPTIONS BY THE AIR COMMAND FORCE POR PARKING LOTS ACCESS LOCATED ON PARIS-CHARLES DE GAULLE AIRPORT

#### Nature and purpose

Agreement with the Ministry of Defense - Air Command Force - regarding the specific conditions applicable to the subscriptions by the Air Command Force POR parking lots access located on Paris-Charles de Gaulle airport.

#### Conditions

At its meeting on 14 December 2016, your board of directors authorized the conclusion of an agreement with the Ministry of Defense - Air Command Force -, signed on 15 December 2016, in order to define the specific legal and financial conditions applicable to the subscriptions by the Air Command Force POR parking lots access located on Paris-Charles de Gaulle airport and, in particular, provides with a discount of 75% on general tariffs of your company applicable to the PR.

#### Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the interest for your company to conclude subscriptions with a new client, the Air Command Force, of which agents were using until now the parking lots outside Paris-Charles de Gaulle airport and therefore to contribute to the development of the car parks activity, with a slight positive impact on the turnover of this activity for Paris-Charles de Gaulle airport (approximately 0.2%).

### B) AGREEMENT REGARDING THE DISCOUNTS GRANTED BY YOUR COMPANY ON FEES RELATED TO THE UTILIZATION OF ITS FACILITIES BY MILITARY AIRCRAFTS

#### Nature and purpose

Agreement with the Ministry of Defense regarding the discounts granted by your company on fees related to the utilization of its facilities by military aircrafts, in application of article 1 of the decree of 24 January 1956 and article 9 of the decree of 22 July 1959.

#### Conditions

At its meeting on 14 December 2016, your board of directors authorized the signature of an agreement with the Ministry of Defense, which sets up the discount rates on parking fees and landing fees based on the number of aircrafts movements by platform, by applying the calculation method of discount coefficient provided in an protocol concluded in 1961 by the ministry in charge of military forces and the ministry of Transport, i.e.:

- ◇ 20% discount for Paris-Orly airport;
- ◇ 35% discount for Paris-Charles de Gaulle airport ;
- ◇ 50% discount for Chavenay-Villepreux, Chelles-le-Pin, Coulommiers-Voisins, Etampes-Mondésir, Lognes-Emerainville, Meaux-Esbly, Persan-Beaumont, Pontoise-Cormeilles-en-Vexin, Saint-Cyr-l'École et Toussus-le-Noble aerodromes ;
- ◇ no discount for Paris-Bourget airport.

#### Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the mission of public interest assigned to your company and the regulation applicable to landing and parking fees, which provides that the agreements should be concluded with the State to define discount rates on these airport fees to the benefit of the State's aircrafts that are carrying out missions that are not remunerated.

## 1.13 With the Ministry of Foreign Affairs and International Development

#### Nature and purpose

Procurement contract between your company and the Ministry of Foreign Affairs regarding the performance of reception services of French and foreign public figures on the airport site, as well as associated services.

#### Conditions

At its meeting on 14 December 2016, your board of directors authorized the signature of a procurement contract that defines the terms and conditions of performance of the reception services, as well as the prices associated to, to the benefit of the Ministry of Foreign Affairs and International Development. The characteristics of the procurement contract are as follows:

- ◇ for the services performed to the benefit of public figures designated by the Ministry of Foreign Affairs and International Development, the pricing applied is lower in average by 48% compared to the agreed prices with your service provider in charge of the reception of private clients of your company;
- ◇ these specific prices enable nevertheless to support the expenses of your company.

#### Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the obligation for Aéroports de Paris S.A. of performing reception services of French and foreign public figures designated by the State, as provided in article 41 of the conditions of contract.

## 2 With companies of which the State is also shareholder, directly or indirectly

#### Person concerned

The State represented by the administrators listed in the first paragraph above.

### 2.1 With the company La Poste

#### (I) AGREEMENT REGARDING THE SIGNATURE OF A LEASE RELATED TO THE OPENING OF A POST OFFICE IN TERMINAL 2 OF PARIS-CHARLES DE GAULLE AIRPORT

#### Nature and purpose

Agreement regarding the signature of a lease related to the opening of a post office in Terminal 2 of Paris-Charles de Gaulle airport.

#### Conditions

At its meeting on 29 June 2016, your board of directors authorized the conclusion of a lease with the company La Poste for an 8-year period that provides the payment of the costs related to the area rented by La Poste and the payment of a fix lease for these premises, on which a 60% discount on public tariffs is applied.

## Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the interest for your company to maintain an activity of universal postal service and in particular provides its clients passengers with services that may facilitate their trips, and to its professional clients services that facilitate the development of their activities and their "day-to-day life", contributing to the image of airport town of Paris-Charles de Gaulle airport.

### (II) AGREEMENT REGARDING THE SIGNATURE OF A LEASER RELATED TO THE OPENING OF A POST OFFICE IN WEST TERMINAL OF THE PARIS-ORLY AIRPORT

#### Nature and purpose

Agreement regarding the signature of a lease related to the opening of a post office in West Terminal of Paris-Orly airport.

#### Conditions

At its meeting on 19 October 2016, your board of directors authorized the conclusion of a lease with the company La Poste for an 8-year period that provides the payment of the costs related to the area rented by La Poste and the payment of a fix lease for these premises, on which a 60% discount on public tariffs is applied.

## Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the necessity for your company to maintain postal services in order to match the quality standards of its main comparable companies and the interest for passengers of your company to continue to benefit from a universal postal service and more generally to benefit from services that may facilitate their trips and for professional clients to continue to benefit from services that help them to develop their activities.

## 2.2 With Atout France, State Economic Interest Grouping

#### Nature and purpose

Agreement aimed at working with Atout France for creating and releasing a magazine entitled "France Worldwide", as part of an action of promotion of the French destination abroad.

#### Conditions

At its meeting on 29 June 2016, your board of directors authorized the signature of an agreement, aimed at working with Atout France for creating and releasing a magazine entitled "France Worldwide", as part of the action of promotion of the French destination abroad. This agreement, signed on 24 October 2016, provides in particular that the partnership lasts one year with a possibility of renewal, the conditions of utilization of Groupe ADP brand, the provisional budget of K€ 247 and how this amount is supported by both parties, as well as the fact that advertising revenue will be allocated based on the same allocation of costs (60% for Atout France and 40% for your company).

## Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the interest for your company of benefiting from an international media coverage and from potential advertisers for its magazine "Paris Worldwide" by working together with Atout France on the design and the implementation of its variants abroad.

## 2.3 With Paris 2024, Public Interest Grouping, in which the State, the founding member, owns 15% of the voting rights

#### Nature and purpose

Agreement aimed at defining the terms and conditions of the partnership of Aéroports de Paris S.A. - Groupe ADP, in its capacity as official partner, for the promotion of the application of Paris to the Olympic Games in 2024, supported by the Public Interest Grouping Paris 2024, as well as the financial terms of the partnership.

#### Conditions

At its meeting on 28 July 2016, your board of directors authorized the conclusion of an agreement aimed at defining the terms and the conditions of financing of the partnership of Aéroports de Paris S.A. - Groupe ADP, in its capacity as official partner, for the promotion of the application of Paris to the Olympic Games in 2024, supported by the Public Interest Grouping Paris 2024. This agreement, signed on 28 July 2016, provides in particular that Aéroports de Paris S.A. - Groupe ADP will benefit from the attributes of the brand "Paris 2024" and from the visible presence through the different channels of communication and use its designation of "Official Supplier" during all the period of the application process, and will pay in counterpart to the Public Interest Grouping the sum of K€ 500 excluding taxes and in-kind and industrial donations for an amount priced at K€ 511 (reception services priced at K€ 146, communication services priced at K€ 350 and the "Worldwide" magazine priced at K€ 15).

## Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the probable positive benefits on the tourism sector of organizing the Olympic Games in Paris and the interest for your company to support the application of Paris for the Olympic Games in 2024 as "Official supplier", and the interest for its image obtained from the visibility granted by Public Interest Grouping Paris 2024 to the brands of your company as a partner.

A1

## 3 With companies that have common administrators with your company

### 3.1 With Média Aéroports de Paris company, joint-venture between your company and JC Decaux

#### Person concerned

Mr. de Romanet, chief executive officer of your company and chairman and administrator of Média Aéroports de Paris company.

#### Nature and purpose

Agreement regarding the utilization of digital screens and paper of JC Decaux in the airports as part of communication campaign to help the deployment of the new brand.

#### Conditions

At its meeting on 16 February 2016, your board of directors authorized the conclusion of an agreement, signed in March 2016, regarding the utilization of digital screens and paper of JC Decaux in the airports as part of a communication campaign to help the deployment of the new brand which started on 18 April 2016, and defines the related price and commercial conditions. Taking into account the discounts granted on digital and paper formats of 40% and 45%, respectively, the services have been estimated to K€ 282.

## Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the interest for your company of the co-enterprise Média Aéroports de Paris' offer for the launch of advertising campaign related to its new commercial brand.

### 3.2 With Société de Distribution Aéroportuaire (SDA) company, joint-venture between your company and Lagardère

#### Person concerned

Mr. de Romanet, chief executive officer of your company and administrator of the SDA company.

#### Nature and purpose

Agreement regarding the settlement of a dispute raised by the provision of video surveillance images to the company SDA in order to secure the pathway used during the transfer of funds operations for this company in Paris-Charles de Gaulle airport.

#### Conditions

At its meeting on 28 July 2016, your board of directors authorized the conclusion of an agreement, signed on 20 October 2016, that defines the terms of the settlement by SDA company of the unpaid invoices that amount to K€ 178 regarding the provision of video surveillance images for the period from 1 January 2011 to 31 December 2013, by the payment of a sum of K€ 63; this puts an end to the dispute between your company and SDA company regarding the overdue payments for the period from 1 January 2011 to 31 December 2013.

#### Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the interest for your company of putting an end to a dispute with a major partner of the Retail activity performed in the terminals in acceptable conditions.

### 3.3 With subsidiaries of Vinci S.A. company, administrator of your company

#### Person concerned

Mr. Xavier Huillard, permanent representative of Vinci S.A. company, administrator of your company and chief executive officer of Vinci S.A.

#### (I) AGREEMENT WITH THE V.I.D.H. AND VINCI IMMOBILIER COMPANIES

#### Nature and purpose

Protocol between your company and the companies V.I.D.H. and VINCI Immobilier regarding the implementation of 4\* hotel (MELIA brand) project at Paris-Charles de Gaulle airport.

#### Conditions

At its meeting on 29 June 2016, your board of directors authorized the conclusion of a protocol with the companies VINCI Immobilier Développement Hôtel (V.I.D.H.) and VINCI Immobilier and of subsequent contracts and to proceed to an external development investment, through its subsidiary S.A.S., holder of the project aimed at building MELIA hotel at Paris-Charles de Gaulle airport for an amount of M€ 45.

#### Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the interest for your company of substantially increasing its rental revenue thanks to this project with a consolidated internal rate of return after tax without leverage of 7% (investor and developer).

#### (II) AGREEMENT WITH THE ADIM ILE-DE-FRANCE COMPANY

#### Nature and purpose

Agreement regarding prior authorization for the signature of a promise of construction lease and of construction lease regarding the "ADIM Ile-de-France/Marriott hotel" project between your company and ADIM Ile-de-France.

#### Conditions

At its meeting on 19 October 2016, your board of directors authorized the conclusion of a promise to construction lease and of construction lease regarding the "ADIM Ile-de-France/Marriott hotel" project between your company and ADIM Ile-de-France. The economic conditions of the construction lease, similar to the future hotels of the district of West Roissy, provide that Groupe ADP will perceive a variable "developer rent" calculated on the base of the total sales excluding taxes of the hotel, i.e. 5% the first year, 6% the second year, then 7% from the third to the 60<sup>th</sup> year, i.e. a forecasted variable rent of approximately M€ 1 a year at "cruising speed" and that the minimal guaranteed rent of the operation will amount to 80% of the forecasted variable rent. The total of the investments undertaken by your company and related to the development of the first phase of the hotel district of West Roissy amounts to M€ 16.

#### Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement considering the strategic importance for your company to respond to the demand of passengers and other users of Paris-Charles de Gaulle airport, who wish to benefit from a diversity of hotel brands, and the opportunity of being able to welcome international brands such as Courtyard and Résidence Inn of the Marriott group, which has chosen ADIM Ile-de-France company to provide the plan and the portage of the operation.

## Agreements and commitments already approved by the general meeting of shareholders

### A) Whose implementation continued during the year

In accordance with article R. 225-30 of the French commercial code (*Code de commerce*), we have been advised that the implementation of the following agreements and commitments which were approved by the general meeting of shareholders in prior years continued during the year.

#### 1 With the State, the main shareholder of your company or with public bodies

##### Person concerned

The State is represented by the administrators listed in the first paragraph of part 1 of our report.

##### 1.1 Framework agreement entered into with the State, in accordance with article 43 of your company's conditions of the contract

#### A) LEASES ENTERED INTO WITH THE FRENCH MINISTRY OF ECOLOGY, SUSTAINABLE DEVELOPMENT AND TERRITORY PLANNING - CIVIL AVIATION AUTHORITY (DGAC)

##### Nature and purpose

Agreement setting out the framework and the main conditions governing the grant of use of buildings by your company, in accordance with article 43 of the conditions of the contract, to the State represented by the French Ministry of Ecology and Sustainable Development and Territory planning - Civil Aviation Authority (DGAC), and the civil code leases entered into in accordance with this agreement.

## Conditions

At its meeting on 27 September 2007, your board of directors authorized a framework agreement with the State. The agreement sets forth the conditions governing the grant of use by your company, in accordance with article 43 of the conditions of the contract, of property to the French Air Transport Police Authority (GTA), the Customs and Excise Authority and the Air and Boarder Traffic Police (PAF) for the fulfillment of their public service engagements relating to airport's activity.

It sets forth the terms governing:

- ◆ the grant of use, free of charge, of the land on which the buildings are located, which were transferred to the State pursuant to French law n° 2005-357 of 20 April 2005;
- ◆ the lease of the land, buildings, premises and parking areas with a discount of 20% for premises outside terminals, 40% for premises located in terminal 2E, 10% for parking areas and 10% for land;
- ◆ the grant of use, free of charge, of two plots of land located at Paris-Orly, and three plots of land located at Paris-Charles de Gaulle, until 31 December 2009 and 31 December 2012, respectively;
- ◆ the reimbursement by the Civil Aviation Authority to your company of the lease payments for the land, premises and parking areas used until 31 December 2007.

This framework agreement was amended in 2012. The amendment aimed at:

- ◆ adjusting the provisions linked to the demolition of buildings exposed in article 2 of the framework agreement;
- ◆ adding to the application scope of the framework agreement the demolition of the building 39.56;
- ◆ integrating an agreement for temporary occupation of the public domain for the heliport of Paris-Issy-les-Moulineaux;
- ◆ extending the agreement for a 5-year period starting 1 January 2013, as the parties have noticed that a significant number of projects have been deferred and/or will be performed after 31 December 2012, which is the end date of the general agreement of 26 October 2007 and that legal and financial conditions can be renewed in the same way.

Detailed information and the financial terms and conditions relating to the leases and lease riders entered into under this agreement are set out in appendix 2.

## B) LEASES ENTERED INTO WITH THE FRENCH MINISTRY OF THE INTERIOR, OVERSEAS TERRITORIES AND LOCAL AUTHORITIES AND LEASES ENTERED INTO WITH THE FRENCH MINISTRY OF BUDGET, PUBLIC ACCOUNTS AND REFORM OF THE STATE

### Nature and purpose

These agreements set out the framework and the conditions governing the grant of use of buildings by your company, in accordance with article 43 of the conditions of the contract, to the State represented by the French Ministry of the Interior, Overseas Territories and Local Authorities and the French Ministry of Budget, Public Accounts and Reform of the State and the civil code leases entered into in accordance with these agreements.

### Conditions

At its meeting on 17 December 2014, your board of directors authorized the chief executive officer, or his delegate, to enter into these agreements with the French Ministry of the Interior, Overseas Territories and Local Authorities and the French Ministry of Budget, Public Accounts and Reform of the State (Customs and Excise Authority). These agreements, which replace the agreement of 5 May 2010, were entered into on 5 March 2015, are effective from 1 January 2015.

During the same meeting, your board of directors authorized your company to enter into leases and riders with the French Ministry of the Interior, Overseas Territories and Local Authorities and the French Ministry of Budget, Public Accounts and Reform of the State (Customs and Excise Authority), concerning the grant of use for premises and parking areas. These leases will enter into in accordance with the agreements of 5 March 2015.

These authorizations are granted until 31 December 2019, expiry date of the agreements.

These agreements set forth the terms governing these agreements:

- ◆ a discount of 60% on rents for premises and parking areas inside terminals, for leases entered into before 31 December 2009 and leases for selective needs or additional needs due to an increase of aeronautical activities;
- ◆ a discount of 40% on rents for premises and parking areas outside terminals.

Detailed information and the financial terms and conditions relating to the leases entered into under these agreements are set out in appendix 2.

## 1.2 Framework agreement entered into with the State in accordance with article 36 of the conditions of the contract of your company

### Nature and purpose

This framework agreement sets out the various types of services that your company provides pursuant to article 36 of the conditions of the contract for a transitional period to the French Air Navigation Division (DSNA), along with the associated financial, legal, operational and technical terms and conditions.

### Conditions

As part of the continuity and effective management of air navigation services in the airports and aerodromes managed by your company, and in accordance with article 36 of the conditions of the contract of your company, the State has decided, for a transitional period, to entrust your company with certain public interest services, as set out in article 36 of the conditions of the contract.

At its meeting on 28 June 2007, your board of directors authorized an agreement with the State. This agreement was entered into on 27 July 2007 with retroactive effect from 1 January 2007. It sets out the type of services and the financial, legal, operational and technical terms and conditions under which the services will be provided. It concerns the provision of property, supplies (electricity, heating, fluid), services (telecommunications, material and administrative assistance and advisory) and general training.

This agreement was concluded for a 15-year period, renewable once by tacit agreement for fifteen years. It may not extend 21 July 2035.

Your company receives remuneration based on the costs incurred for the services it provides. In accordance with the financial agreement signed on 27 April 2015, and its rider signed on 15 December 2015, pursuant to the framework agreement, for financial year 2016, your company invoiced the State K€ 17.351 excluding VAT for the services provided.

A1

### 1.3 Agreement on granting the use of the plot of land associated with building 517 at Paris-Orly airport

#### Nature and purpose

Contract granting the use of the plot of land associated with building 517 and the adjacent land for parking.

#### Conditions

At its meeting on 30 October 2008, your board of directors authorized the sale of building 517 at Paris-Orly airport to the State, represented by the French Ministry of Budget, Public Accounts and Civil Service - Customs and Excise Authority, by your company and the subsequent granting of use of the associated plot of land and adjacent land for parking, free of charge. Following the sale of the building in 2008, a lease was entered into between the State and your company for this purpose for a 30-year period, renewable by tacit agreement for identical periods, for a maximum of ninety-nine years.

### 1.4 Agreement entered into with the State represented by the Ministry of Ecology, Sustainable Development and Territory planning - Civil Aviation Authority, regarding the exchange of lands and buildings

#### Nature and purpose

Agreement regarding the exchange of lands and buildings between your company and the State (Ministry of Ecology, Sustainable Development and Territory planning, Civil Aviation Authority).

#### Conditions

At its meeting on 28 June 2012, your board of directors authorized the conclusion of an agreement, signed on 2 November 2012, regarding the conditions of the exchange of lands and buildings of which the State (DGAC) has no more use and to reintegrate them in the estate of your company, and the transfer of lands and buildings owned by your company to integrate them in the public (DGAC) by taking into account the change in air traffic and the creation of an urban boulevard named "barreau d'Athis-Mons", which will constitute the southern bypass of the airport of Paris-Orly in order to join RD 118 road to RD 25E road.

At its meeting on 14 October 2015, your board of directors authorized the conclusion of an amendment to this agreement, in order to redefine the lands and buildings aimed at by this exchange.

These properties, buildings and lands are located in the South-East area of Paris-Orly airport.

The achievement of the transfer of these properties is subject to the achievement of all the following conditions:

- ◆ obtaining from the appropriate authorities waive their preemption right;
- ◆ agreement from the State-administered property on the financial evaluation of the global real estate operation;
- ◆ disaffection and downgrading by the State (DGAC) of its public domain of all lands and buildings that the State plans to transfer in the framework of this agreement;
- ◆ authorization of the State (DGAC) given to your company to transfer two plots of land to use kennels located in the "blue zone" on the airport hold, and this, in application of article 53 of the conditions of contract of your company;
- ◆ obtaining all the necessary reports (asbestos, energetic performance diagnosis, termites), for the transfer of the 461 building module A6/B6.

The exchange of lands and buildings will be subject to either an administrative certificate or a notarized act that will operate the transfer of property of all above-mentioned properties.

Based on the estimations made by French real estate local services ("France Domaine des départements de l'Essonne (91) et du Val-de-Marne (94)"), the State and your company have agreed that these exchanges have an equivalent economic value and would not be subject to any compensation balance.

### 1.5 Agreement regarding the transfer of lands and parts of buildings, located in 375 building at Paris-Orly airport

#### Nature and purpose

Agreement regarding the transfer of lands and parts of buildings, located in 375 building at Paris-Orly airport.

#### Conditions

At its meeting on 17 June 2015, your board of directors authorized an agreement for the transfer of lands and parts of buildings, located in 375 building at Paris-Orly airport, occupied by both your company and the Air and Boarder Traffic Police (DPAF), signed on 30 September, and provides for the signature of an authentic lands sale contract resulting in the payment by your company of a cash payment to the State of K€ 865, taxes and rights excluded.

### 1.6 Regularization of payment delays protocol with The State represented by the French Ministry of the Interior on Paris-Orly Airport and Paris-Charles de Gaulle Airport

#### Nature and purpose

Regularization of payment delays protocol on Paris-Orly Airport and Paris-Charles de Gaulle Airport concerning the occupation of the Ministry of the Interior's demining services in Paris-Orly Airport and Paris-Charles de Gaulle Airport's premises.

#### Conditions

At its meeting of 15 October 2015, your board of directors authorized the conclusion of the regularization of payment delays protocol, signed on 18 August 2016, for the 2010-2014 period. This protocol concerns the occupation of the Ministry of the Interior's demining services in Paris-Orly Airport and Paris-Charles de Gaulle Airport's premises, which involves that the h Ministry of the Interior disbursed an amount inclusive of taxes of K€ 121 for the benefit of your company.

### 1.7 Economic Regulation Agreement

#### Nature and purpose

Economic Regulation Agreement sets up the maximum average increase for airport fees, the indicators regarding quality service and the relating financial incentive.

#### Conditions

At its meeting of 29 July 2015, your board of directors authorized the signature of the Economic Regulation Agreement for the 2016-2020 fees period (ERA), under the terms of articles L. 224-2, R. 224-3-1 and R. 224-4 of the French civil aviation code (Code de l'aviation civile).

Signed on 31 August 2015, this agreement sets the maximum average increase for airport fees for the 2016-2020 period, in accordance with the investment program affected to the regulated scope.

## 1.8 With Société du Grand Paris, public agency

### A) COMPENSATION AGREEMENT RELATING TO THE REINFORCEMENT AND GROUND STABILIZATION WORKS REGARDING THE CONSTRUCTION OF A SUBWAY STATION ON PARIS-ORLY AIRPORT FOR THE FUTURE 14 AND 18 SUBWAY LINES

#### Nature and purpose

As part of the crossing of 14 and 18 subway lines on the airport space of your company, reinforcement and ground stabilization works are required. This agreement is relating to the fact that Société du Grand Paris is taking over the additional costs involved for these works, for which your company is in charge of the project management.

#### Conditions

At its meeting on 17 June 2015, your board of directors authorized the signature of an amendment, signed on 16 July 2015, to the compensation agreement that was signed on 9 January 2015, in order to increase the compensation from K€ 15,825 to K€ 24,181 excluding taxes.

### B) AGREEMENT RELATING TO SHARED CONTRACTING OWNERSHIP FOR THE CONSTRUCTION OF A SUBWAY STATION ON PARIS-ORLY AIRPORT FOR THE FUTURE 14 AND 18 SUBWAY LINES

#### Nature and purpose

Agreement relating to shared contracting ownership for the construction of a subway station on Paris-Orly airport for the future 14 and 18 subway lines.

#### Conditions

At its meeting on 17 June 2015, your board of directors authorized the conclusion of an agreement, signed on 16 July 2015, for sharing the contracting ownership that sets up the conditions for performing the construction of the future "Grand Paris" station in Orly. By this agreement your company is entitled to perform the missions of contracting ownership and the project management for the whole operation.

This agreement defines also an estimation of the total amount of the works and the compensation your company would be entitled for the services performed in its capacity of contract owner during the pre-project phases for an amount of M€ 3.6.

## 1.9 Agreement with the National Film and Moving Image Centre, public agency

#### Nature and purpose

Agreement regarding the sale of the headquarters of your company located at 291, boulevard Raspail - Paris (14°).

#### Conditions

At its meeting on 25 March 2015, your board of directors authorized the conclusion of an agreement for the sale of the headquarters of your company located at 291, boulevard Raspail - Paris (14°) to the benefit of the National Film and Moving Image Centre for an amount of M€ 52.

## 1.10 With Météo France, public agency

#### Nature and purpose

Setting out of the framework conditions between your company and Météo France relating to the meteorological services provided to the air navigation service.

#### Conditions

At its meeting on 20 December 2012, your board of directors authorized an agreement with Météo France, signed on 15 March 2013, setting out the framework conditions between your company and Météo France relating to the meteorological services provided to the air navigation service.

This agreement sets out:

- ◇ the nature, quality and conditions of communication of weather forecasts and warning reports provided by Météo France to your company;
- ◇ the nature, quality, fares and conditions of execution of services defined in the article 38 of the terms of contract of your company, including the land and buildings and technical equipment necessary to Météo France for the execution of its duties.

## 1.11 Communication and licensing agreement to use the studies conducted in connection with the CDG Express Economic Interest Group, concluded with the State

#### Nature and purpose

Granting the State, represented by the Ministry of Transport, Equipment, Tourism and Maritime Affairs - Rail and Public Transport Authority, a non-exclusive license, free of charge, to use the studies conducted by or on behalf of the CDG Express Economic Interest Group, which is co-owned by Réseau Ferré de France (RFF), the French rail track company SNCF, the French national railway company and your company.

A1

#### Conditions

At its meeting on 14 March 2007 your board of directors authorized an agreement between the State, SNCF, RFF and your company concerning the studies conducted in connection with the CDG Express Economic Interest Group. This agreement, signed on 6 April 2007, which provides a non-exclusive and free of charge license to use the studies, was entered into on 6 April 2007, for a 3-year period, renewable by tacit agreement for the same period until the effective date of the public service delegation relating to the project.

## 1.12 With SNCF Réseau, public body

#### Nature and purpose

Agreement in the form of a preparatory protocol relating to the creation of a project company between SNCF Réseau and your company in order to carry on the project of rail connection "CDG Express".

#### Conditions

At its meeting on 16 December 2015, your board of directors authorized the conclusion of a preparatory protocol relating to the creation of a project company between SNCF Réseau and your company in order to carry on the project of rail connection "CDG Express". Signed on 2 March 2016, it provides for the conditions of cooperation between SNCF Réseau and your company within the project company, which will have to be created on 30 June 2016 at the latest.

The protocol provides for the carrying out of legal, economic, financial and technical studies necessary to the project, as well as a preliminary global budget of M€ 12 excluding taxes, shared equally between the two partners.

## 1.13 With the State and SNCF Réseau, public body

#### Nature and purpose

Amendment to the shareholders' agreement relating to CDG Express Etudes S.A.S. company between your company, the State and SNCF Réseau.

### Conditions

At its meeting on 26 March 2014, your board of directors authorized the conclusion of shareholders' agreement that sets up the conditions of cooperation between the State, SNCF Réseau and your company within CDG Express Etudes S.A.S. company. This agreement, signed on 16 May 2014, defines, beyond the statutory rules, engagements and functions of each shareholder.

At its meeting on 8 July 2015, your board of directors authorized the signature of an amendment to this shareholders' agreement, the purpose of which is to set up the financial conditions applicable to the studies performed according to the terms and conditions of pursuing the project and, also provides for an additional budget of M€ 3.6, funded equally by your company and SNCF Réseau. This amendment was signed on 12 October 2015.

## 1.14 Agreements entered into with Régie autonome des transports parisiens (RATP), public body

### Person concerned

Mr. de Romanet, chief executive officer of your company and administrator of RATP.

### A) AGREEMENT ENTERED INTO BETWEEN RATP AND SYNDICAT DES TRANSPORTS D'ILE-DE-FRANCE (STIF) RELATING TO THE TRAMWAY LINE BETWEEN VILLEJUIF AND ATHIS-MONS

#### Nature and purpose

It sets out the route, service area and financing principles for the tramway between Villejuif and Athis-Mons, and the area granted to RATP on the property owned by your company to operate the tramway.

#### Conditions

At its meeting on 18 June 2009, your board of directors authorized a tripartite agreement with RATP and STIF concerning the Villejuif-Athis-Mons tramway line. The purpose of the agreement, signed on 7 October 2009, is to:

- ◇ set out the route, service principles and location of the stations of the tramway at Paris-Orly airport;
- ◇ grant RATP the right to use the area required to operate the tramway, free of charge;
- ◇ specify that all studies and works relating to the construction of the tramway line and to the rehabilitation of roads and facilities in Paris-Orly airport are to be financed by RATP;
- ◇ divide the financing of the studies and works on the road deviation and/or protection of existing road networks between your company and RATP, based on whether the roads are open to the public or not.

### B) FINANCING AGREEMENT FOR STUDIES AND CONSTRUCTION WORKS CONCERNING THE TRAMWAY LINE BETWEEN VILLEJUIF AND ATHIS-MONS

#### Nature and purpose

It sets forth the financing conditions of the studies and construction works related to structures and development owned by your company as a consequence of the construction of the tramway line between Villejuif and Athis-Mons on Paris-Orly airport area.

#### Conditions

At its meeting on 7 April 2011, your board of directors authorized an agreement with RATP under the terms of article 5.2.2 of the agreement entered into in October 2009, the "framework agreement". This "framework agreement" provided the conclusion of a financing agreement with compensation for your company concerning costs of works and studies undertaken because of the construction of the tramway.

The agreement, signed on 15 June 2011, sets forth:

- ◇ the terms of performance and compensation by RATP of studies and works concerning structures and developments belonging to your company (set out the area, period, assessment of costs);
- ◇ the terms of repayment by RATP to your company (control and repayment of expenses at euro for euro, terms of payment).

In addition, at its meeting of 15 December 2011, your board of directors authorized an amendment to this agreement, which aimed at integrating in the scope of the financial agreement complementary works that will be supported by your company and reimbursed by RATP at cost.

This agreement had expired on March 2016.

## 1.15 Shareholders' agreement between the State and NV Luchthaven Schiphol

### Persons concerned

Messrs. Nijhuis and de Groot, administrators of your company and respectively chief executive officer of Schiphol Group NV and member of the executive board of NV Luchthaven Schiphol.

### Nature and purpose

Shareholders' agreement relating to your company between the State, represented by the French Ministry of Economy, Industry and Employment, and NV Luchthaven Schiphol.

#### Conditions

In connection with the industrial cooperation agreement between NV Luchthaven Schiphol (Schiphol Group) and your company, at its meeting on 14 November 2008, your board of directors approved a shareholders' agreement between the State and the Schiphol Group in your presence. This agreement was entered into on 1 December 2008.

## 1.16 Agreement on Rescue and Fire Fighting Services (RFFS) at Paris-Charles de Gaulle airport

### Nature and purpose

It sets forth the terms and conditions governing the provision by your company of operational support in terms of Rescue and Fire Fighting Services in Paris-Charles de Gaulle airport area for the State, represented by the chief of Police of Paris-La Défense area and the chief of Police of Seine-Saint-Denis.

#### Conditions

At its meeting on 18 June 2009, your board of directors authorized an agreement on the provision of support by your company in terms of Rescue and Fire Fighting Services in Paris-Charles-de-Gaulle airport area (except aircrafts).

At its meeting on 16 February 2016, your board of directors authorized the (tacit) extension of the agreement until 19 October 2018; indeed, this agreement, which was effective for a 3-year period from 20 October 2009, may be extended by tacit agreement for consecutive 3-year periods.

The agreement, signed on 17 October 2009, provides for the use of your company's material and human resources for Rescue and Fire Fighting Services (RFFS) in aerodromes to fight fire other than the one concerning aircrafts, and to provide with rescue services in Paris-Charles de Gaulle airport area, under the authority and command of the State. In addition, it provides for setting up an emergency call center for the aerodrome area on the premises allocated by your company to its Rescue and Fire Fighting Services (RFFS). The State guarantees your company against third party claims in connection with these services.

Your company's support is free of charge, without increasing the expenses charged to Rescue and Fire Fighting Services, unless it is compensated for the additional cost by the State.

## 1.17 Agreement with the State on Rescue and Fire Fighting Services (RFFS) at Paris-Orly airport

### Nature and purpose

It sets forth the terms and conditions governing the provision by your company of operational support in terms of Rescue and Fire Fighting Services in Paris-Orly airport area for the State, represented by the chief of Police of Paris area and the chief of Police of Val-de-Marne.

### Conditions

At its meeting on 15 December 2011, your board of directors authorized an agreement on the provision of support by your company in terms of Rescue and Fire Fighting Services in Paris-Orly airport area (except aircrafts).

At its meeting on 16 February 2016, your board of directors authorized the (tacit) extension of the agreement until 10 February 2018; indeed, this agreement, which was effective for a 3-year period from 11 February 2012, may be extended by tacit agreement for consecutive 3-year periods.

The agreement, signed on 11 February 2012, provides for the use of your company's material and human resources for Rescue and Fire Fighting Services (RFFS) in aerodromes to fight fire other than the one concerning aircrafts and to provide rescue services in Paris-Orly airport area, under the authority and command of the State. In addition, it provides for setting up an emergency call center for the aerodrome area on the premises allocated by your company to its Rescue and Fire Fighting Services (RFFS). The State guarantees your company against third party claims in connection with these services.

Your company's support is free of charge, without increasing the expenses charged to Rescue and Fire Fighting Services, unless it is compensated for the additional cost by the State.

## 2 With companies of which the State is also shareholder, directly or indirectly

### Persons concerned

The State represented by the administrators listed in the first paragraph above.

### 2.1 With CDG Express Etudes S.A.S.

#### Nature and purpose

Signature of an agreement relating to the terms and conditions of execution of pre-project tasks and studies outsourced to your company as part of the "CDG Express" rail connection project.

#### Conditions

At its meeting on 18 May 2015, your board of directors authorized the signature of an agreement with CDG Express Etudes S.A.S. relating to the conditions of execution of pre-project tasks and studies outsourced to your company as part of the "CDG Express" rail connection project. Signed on 29 June 2015, it sets the completion calendar, the details of the studies to be performed as well as the financial terms, and provides for the payment of an amount of K€ 570 excluding taxes to your company by CDG Express Etudes S.A.S.

## 2.2 With Réseau Transport d'Electricité

### Nature and purpose

Agreement relating to the interconnection of the electrical installation of Paris-Charles de Gaulle airport to the public electricity transport network.

### Conditions

At its meeting on 17 June 2015, your board of directors authorized the signature of an agreement, signed on 28 July 2015, that sets up the conditions of performance of the different interconnection structures of the Paris-Charles de Gaulle airport to the public electricity transport network in 225 KV, and the final financial terms of this interconnection, of which the total cost was estimated to M€ 23 excluding taxes, including M€ 16.1 excluding taxes for your company.

## 3 With companies that have common administrators with your company

### 3.1 With TAV Construction

#### Person concerned

Mr. de Romanet, chief executive officer of your company and administrator of TAV Construction.

#### Nature and purpose

Agreement relating to the construction contract, on Paris-Charles de Gaulle airport, of a building complex aimed at hosting, on the one hand the new headquarters of your company and a conference and events center and, on the other hand, a complex of offices intended to be rented.

#### Conditions

Following the tender offer submitted by Hervé S.A. and TAV Construction, which is owned at 49% by your company, as part of the public consultation initiated for the construction contract, on Paris-Charles de Gaulle airport, of a building complex aimed at hosting, on the one hand the new headquarters of your company and a conference and events center and, on the other hand, a complex of offices intended to be rented, and following the approval of this tender offer by the consultative commission of your company on 12 February 2015, your board of directors authorized the conclusion of the construction contracts with Hervé S.A. and TAV Construction during the meeting of 19 February 2015. The constructions contracts were signed on 23 February 2015.

The construction contracts amount to K€ 55,739 for the first two buildings and K€ 32,128 for the third building.

### 3.2 With Schiphol Group NV, minority shareholder of your company

#### Persons concerned

Messrs. Nijhuis and de Groot, administrators of your company and respectively chief executive officer of Schiphol Group NV and member of the executive board of NV Luchthaven Schiphol.

#### Nature and purpose

Agreements relating to the crossed real estate investments linked to the Altai & Transport real estate operations.

A1

### Conditions

At its meeting on 18 January 2012, your board of directors authorized the signature of two agreements that concern the crossed real estate investments, linked to the Altaï & Transport real estate operations:

- ◆ "Shareholders' Agreement" – Altaï real estate operation: shareholders' agreement related to the functioning of the company that manages the Altaï building and concluded between S.A.S. Ville Aéroportuaire Immobilier and S.C.I. SRE Holding Altaï in presence of your company, Schiphol Group, SRE International BV, SRE Altaï BV and S.C.I. Ville Aéroportuaire Immobilier 1.

The agreement has been concluded for a sixteen-year period starting from the date of signature, i.e. 1 February 2012, and can be renewed every five years by tacit renewal.

- ◆ "Joint-Venture Agreement" – Transport real estate operation: shareholders' agreement that governs the functioning of the company that manages the Transport Building in Holland and concluded between your company, Schiphol Real Estate, SRE Transport Beheer BV, on the one hand, and on the other hand, S.A.S. ADP Investissement and S.A.S. ADP Investissement Nederland BV.

The agreement has been concluded for a sixteen-year period starting from the date of signature, i.e. 1 February 2012, and can be renewed every five years by tacit renewal.

### B) Which were not implemented during the year

In addition, we have been advised that the following agreement and commitment which was approved by the general meeting of shareholders in prior years but not implemented during the year.

**With Mr. Patrick Jeantet, chief operating officer**

#### Nature and purpose

Compensation and termination of service allowance attributed to the chief operating officer in the event of termination or non-renewal of his term of office.

#### Conditions

At its meetings on 15 July 2014, your board of directors had requested approval from the minister of Economy, that was granted on 26 December 2014, for an agreement that sets forth compensation and termination of service allowance attributed to the chief operating officer in the event of termination or non-renewal of his term of office occurring at the end of the present term of office of chief executive officer and linked to a change of strategy or a change in control, with the exception to termination for gross misconduct.

Threshold: this termination benefit will be equal to eighteen months of average compensation (fixed and variable), as perceived during twenty-four months preceding termination, if the period of office is below twenty-four months, termination indemnity shall be calculated prorata temporis.

This agreement expired during the month of May 2016, at the time the chief operating officer left your company.

Neuilly-sur-Seine and Paris-La Défense, 8 March 2017

The Statutory Auditors

*French original signed by*

DELOITTE & ASSOCIÉS

Thierry Benoît

Olivier Broissand

ERNST & YOUNG Audit

Jacques Pierres

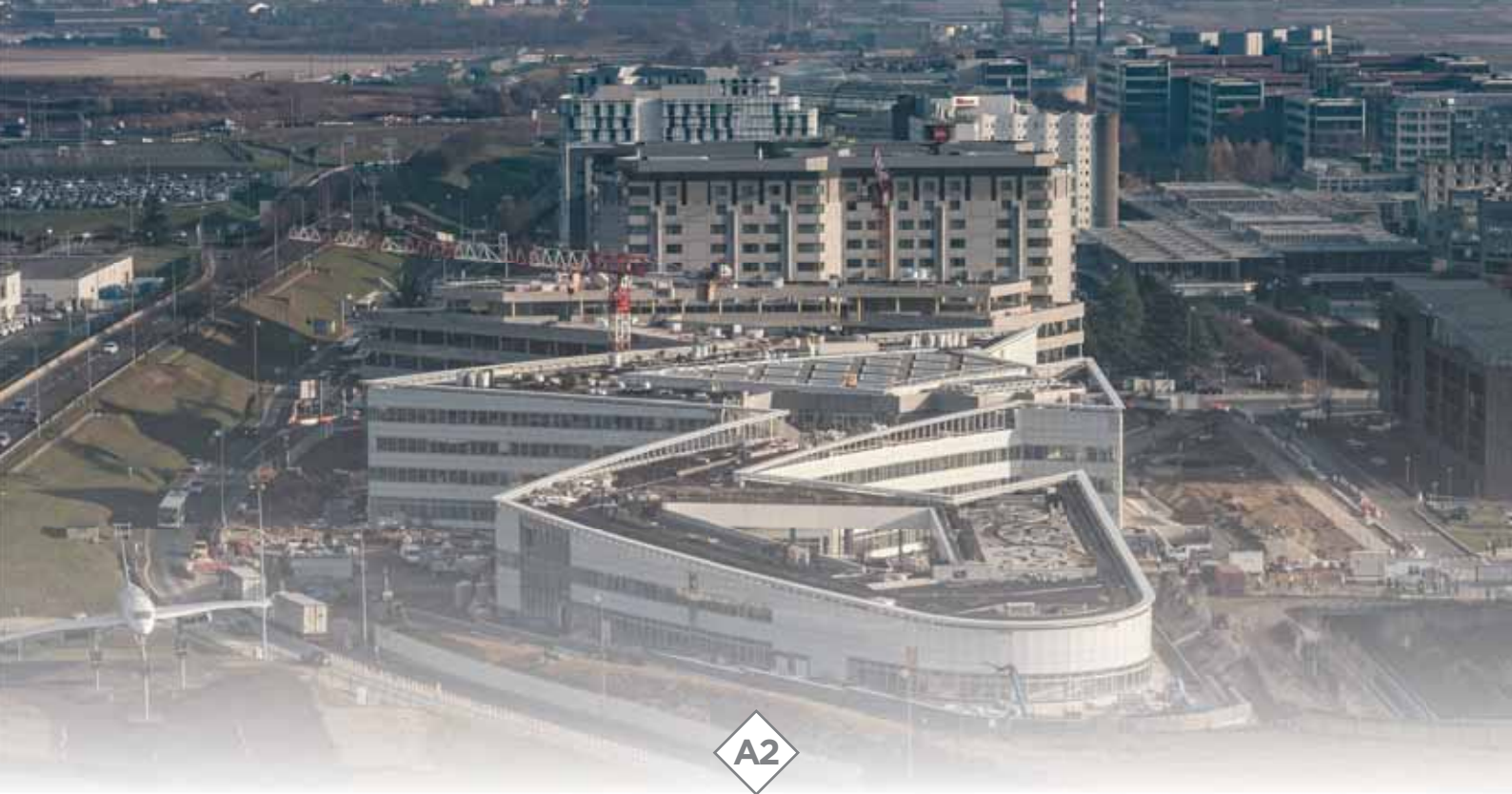
Alban de Claverie

Appendices (available on Groupe ADP's website at the following address: [www.groupeadp.fr](http://www.groupeadp.fr), section AMF Information / Registration documents).

Appendix 1: Terms and conditions of agreements and commitments approved during the year.

Appendix 2: Terms and conditions of leases concluded with the State.

Appendix 3: Terms and conditions of agreements and commitments approved in prior years.



A2

## CHAIRMAN OF THE BOARD OF DIRECTORS REPORT

REPORT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS ON  
THE COMPOSITION OF THE BOARD AND THE APPLICATION OF  
GENDER EQUALITY WITHIN IT, THE CONDITIONS FOR PREPARING  
AND ORGANISING ITS WORK AND THE INTERNAL CONTROL  
AND RISK MANAGEMENT PROCEDURES PUT IN PLACE BY  
AÉROPORTS DE PARIS FOR THE PERIOD ENDING ON 31 DECEMBER  
2016 (ARTICLE L. 225-37 OF THE *CODE DE COMMERCE*  
(FRENCH COMMERCIAL CODE))

### Introduction

Pursuant to article L. 225-37 of the French Commercial Code, it falls upon the Chairman of the Board of Directors, in those companies in which financial shares are allowed for negotiation in an official market, to set out – in a report attached to the report mentioned in article L. 225-100 of the French Commercial Code, of the composition of the Board and of the application of gender equality in it, regarding the conditions for the preparation and organisation of the work undertaken by the Board and the internal control and risk management procedures put in place by the company. It will report on the financial risks related to the effects of climate change, and measures taken by the company to reduce them by implementing a low-carbon strategy in all areas of its business.

When a company voluntarily signs up to a corporate governance code drawn up by organisations representing companies, the report will specify which provisions have been derogated from and the reasons why this has been done. The report will also specify the manner in which the shareholders take part in the general meeting as well as those principles and rules decreed by the Board of Directors to determine the remuneration and benefits of any kind to be awarded to corporate officers. The report should indicate any potential restrictions which the Board of Directors may have placed on the powers of the Chairman and CEO. Finally, the management report<sup>1</sup> will set out information relating to the company's capital structure and those elements likely to have an impact in the case of a public bid.

The subject of this report is that the company Aéroports de Paris is entering into the ambit of article L. 225-37 of the French Commercial Code due to the quotation of its shares on Euronext Paris - segment A.

<sup>1</sup> The management report will be available at [www.groupeadp.fr](http://www.groupeadp.fr) by April 2017.

This report has been drawn up by the Chairman and CEO of Aéroports de Paris following numerous exchanges and meetings with the division directors and divisions regarding management, internal checks and risk management. It was reviewed by the audit and risks committee on 15 February 2017 then presented by the Chairman to the Board of Directors on 22 February 2017. It was approved at this meeting.

The auditors were asked to present their observations on the internal control and risk management procedures relating to the creation and assessment of accounting and financial information and to attest to the collating of other information required under article L. 225-37 (in line with the provisions of article L. 225-235 of the French Commercial Code).

This report was drawn up for the entire Groupe ADP, and thus it takes into consideration those bodies within the scope of consolidation as at 31 December 2016 particularly for the presentation of internal control and risk management procedures relating to the creation and assessment of accounting and financial information. Under this framework, the following have been taken into account:

- ◆ ten first-tier subsidiaries in which Aéroports de Paris owns more than 50% of the capital (Aéroports de Paris Management, ADP Ingénierie, Hub Safe, Hub One, Cœur d'Orly Investissement, Ville Aéroportuaire Immobilier, Aéroports de Paris Investissement, Tank ÖW Alpha GmbH and Tank ÖW Beta GmbH respectively holding the assets of TAV Airports and TAV Construction, and Roissy Continental Square);
- ◆ the six joint-venture companies as follows:
  - ◆ Relay@adp, jointly controlled by Aéroports de Paris and Lagardère Travel Retail with equal parity, and where Société de Distribution Aéroportuaire is a minority shareholder,
  - ◆ Société de Distribution Aéroportuaire, ADPLS Présidence, Media Aéroports de Paris, EPIGO and EPIGO Présidence. These joint ventures are jointly controlled with equal parity by Aéroports de Paris and, respectively, Lagardère Duty Free (subsidiary of Lagardère Travel Retail), Lagardère Travel Retail, JCDecaux France and SSP for the final two.

This report is laid out in two parts, setting out:

- ◆ governance of the company and of the group;
- ◆ the provisions and procedures for internal control and risk management.

## The governance of the company and of the group

The part devoted to the governance of the company and the group covers areas relating to the corporate governance code, the participation of shareholders in the general meeting, the composition and function of the Board of Directors, the limits placed by the Board of Directors on the Chairman & CEO and the Chief Operating Officer, and the rules determining remuneration and benefits awarded to corporate officers. It refers to the publication on the capital structure of the company and factors likely to affect a takeover bid referred to in article L. 225-100-3 of the Commercial Code.

Concerning corporate governance, Patrick Jeantet, Chief Operating Officer since 1 January 2014, resigned and left office on 25 May 2016.

## 1 The corporate governance code

Applying article L. 225-37 of the French Commercial Code, the Board of Directors, during their meeting on 29 April 2009, decided by a majority decision of their members either present or represented by proxy to consult the corporate governance code of companies listed by the Association Française des Entreprises Privées (The French Association of Private Companies) and the Movement of French Enterprises (the AFEP-MEDEF code) published in December 2008 which was last revised in November 2016. It can be viewed at [www.medef.fr](http://www.medef.fr).

Despite the adjustments made to these rules, departures from the recommendations of the AFEP-MEDEF codes still exist as at 31 December 2016, with article 25.1 of the Code acknowledging its competence in the matter.

### 1.1 Departures from the AFEP-MEDEF Code

Principally pursuant to the specific legislative and regulatory provisions that govern the articles of association of Aéroports de Paris SA, or by its nature as a public company controlled by a majority shareholder - in this respect, Aéroports de Paris is subject to Law no. 83-675 of 26 July 1983 relating to democratisation of the public sector. The provisions of the AFEP-MEDEF code dismissed by Aéroports de Paris, and the reasons why, are listed below:

#### The number of independent directors (chapter 8 of the AFEP-MEDEF code)

Under the AFEP-MEDEF Code, at least one third of the Company's Board should be Directors qualified as "independent", while Directors representing employees are not counted when calculating this percentage. The Company cannot meet this recommendation. Nevertheless, Aéroports de Paris strives to comply with the principles of good governance defined in the AFEP-MEDEF Code, in spite of legislative and regulatory constraints.

The reason for the departure from this recommendation derives from the texts to be observed with regard to the composition of the Board:

- ◆ the Law on democratisation of the public sector which reserves one third of seats for employee representatives - these Directors are not independent and in accordance with the AFEP-MEDEF code are not counted in this calculation;
- ◆ the French legislative decree of 30 October 1935, which reserves for the State a number of seats in proportion to the share it holds in a company's capital, i.e. six members appointed by decree - these six Directors cannot be described as independent since the State controls Aéroports de Paris;
- ◆ the six other members are nominated by the Ordinary General Meeting. Four Directors are not considered to meet the independence criteria of the AFEP-MEDEF Code.

According to the AFEP-MEDEF code, a Director can be described as independent from the moment he meets the following criteria:

- ◆ is not, or has not been during the previous five years:
  - ◆ an employee or executive officer of the company,
  - ◆ an employee, executive officer or director of a company that the company consolidates,
  - ◆ an employee, executive officer or director of the company's parent company or of a company consolidated by this parent company;

- ◇ is not an Executive Officer of a company in which the Company holds, directly or indirectly, office as Director; or in which an employee appointed as a Director or in which an Executive Officer of the Company holds or has held a Directorship within the last five years<sup>1</sup>;
- ◇ company B is a Director of company A, either directly or via a subsidiary (indirectly); or
  - ◆ company B has nominated an employee as a Director of A; or
  - ◆ an Executive Officer of B is a Director of company A, or has been within the last five years.
- ◇ is not a customer, supplier or corporate or investment banker<sup>2</sup>:
  - ◆ of significant importance to the Company or its group, or
  - ◆ which derives a significant part of its activity from the Company or its group;
- ◇ appraisal of the significant nature or otherwise of the relationship maintained with the Company or its group is debated by the Board and the quantitative and qualitative criteria having led to said appraisal (continuity, economic dependence, exclusivity, etc.) explained in the annual report;
- ◇ has no close family ties with a Company Officer;
- ◇ has not acted as Statutory Auditor to the Business during the last five years;
- ◇ has not been a Director of the company for more than twelve years. The status of independent director ends after twelve years.

Directors representing the major shareholders of the company or of the parent company can be considered as independent, provided said shareholders do not participate in controlling the company. However, above a threshold of 10% in capital or voting rights, the Board, following a report from the nominations committee, systematically checks on the independent status by considering the composition of the company's capital and the existence of a potential conflict of interests.

As proposed by the remunerations, appointments and governance committee, the Board of Directors, at its meeting of 19 October 2016, examined according to the criteria laid down by the AFEP-MEDEF code, the personal situation of each of the directors. It also debated on the appraisal of the significant nature or otherwise of the relationship maintained with the Company or its group by each Director.

As a result of said scrutiny, the Board of Directors confirmed and reaffirmed as independent directors the following, who meet the criteria:

- ◇ Jacques Gounon, who does not have any business relationship with Aéroports de Paris SA;
- ◇ Prédica and its permanent representative, who do not maintain significant business relations with Aéroports de Paris. In particular, Prédica, in view of the proportion of its contracts represented in total purchasing by Aéroports de Paris, is not a service provider, nor a significant corporate or investment banker for Aéroports de Paris.

The Board of Directors confirmed and reaffirmed as non-independent directors:

- ◇ Augustin de Romanet, Executive Director of the company;
- ◇ Jos Nijhuis and Els de Groot, Executive Officers of a company to which a Director of Aéroports de Paris is attached;
- ◇ the Vinci company, together with its permanent representative, due to the significant nature of the business relationship that it maintains with Aéroports de Paris SA as a major supplier and to the actual or overt conflicts of interest originating from competition in calls for tenders for airport projects;

- ◇ the six directors representing the State, who participate in controlling the company;
- ◇ the six directors representing the employees, due to the existence of an employment contract with the company.

The Board of Directors is nonetheless careful to ensure that it functions correctly. The audit and risks committee and the remuneration, appointments and governance committee are organised so that:

- ◇ their chairmanship is entrusted to independent directors;
- ◇ the proportion of independent directors is met for the audit and risks committee;
- ◇ the remuneration, appointments and governance committee includes 50% of independent directors, while the director representing employees is excluded from the calculation. It is recalled that the High Committee of Corporate Governance considers in its activity report for October 2014 that the stated proportions within this committee remain in compliance with the intent of the AFEP-MEDEF code provided said committee is chaired by an independent director.

#### The meetings of the Board of Directors and meetings of the committees (chapter 10 of the AFEP-MEDEF CODE)

At the latest external assessment reported in the Board of Directors meeting on 19 October 2016, the directors highlighted freedom of speech and the quality of discussions useful to general management. They therefore see no added value in implementing a meeting without the attendance of the executive officers.

#### Length of service for directors (chapter 13 of the AFEP-MEDEF Code)

The mandate for Aéroports de Paris directors exceeds the duration of four years set out in the AFEP-MEDEF Code.

In effect, according to Article 7 of Decree no. 83-1160 of 26 December 1983 on the implementation of Law no. 83-675 of 26 July 1983 on the democratisation of the public sector, the term of office of members of the Board of Directors of Aéroports de Paris is five years. A director's term takes effect from the date of the first meeting of the Board of Directors, whether newly appointed or reappointed, concluding on the same day for all members at the end of the five-year period.

#### Director shareholding (chapter 19 of the AFEP-MEDEF Code)

The charter for the members of the Board of Directors, as shown in the appendix to the rules of procedure for the Board of Directors, stipulates, in line with the AFEP-MEDEF Code, that directors nominated at the general meeting of shareholders must own a significant number of shares in the company in terms of the amount of directors' fees received. Unless he holds them at the time of taking office, he must use his directors' fees at the time of their acquisition.

This recommendation cannot be applied within the Company for Directors representing the State or elected by the employees. Such Directors are exempted from owning shares in the Company under Articles 11 and 21 of the French Law 83-675 dated 26 July 1983 on public-sector democratisation and do not receive directors' fees.

<sup>1</sup> Thus, Mr X, an Executive Officer in company A, may not be considered independent as regards company B if: company B is a Director of company A, either directly or via a subsidiary (indirectly); or company B has nominated an employee as a Director of A; or an Executive Officer of B is a Director of company A, or has been within the last five years

<sup>2</sup> Or is directly or indirectly linked to these individuals.

Finally, the two directors representing Schiphol Group, pursuant to the shareholders' agreement appointing them, passed as of 1 December 2008 between N.V. Luchthaven Schiphol (Schiphol Group) and the French Republic in the presence of Aéroports de Paris, do not personally hold a significant number of shares in the company to the extent that Schiphol Group holds 8% of the share capital of Aéroports de Paris and receive the directors' fee amount.

#### **The obligation to keep shares (chapter 22 of the AFEP-MEDEF Code)**

In its meeting of 15 July 2014, the Board of Directors decided not to set any threshold for keeping shares to the extent that: executive officers do not benefit from any share option or performance share, the Chairman & Chief Executive Officer waived his right to directors' fees for Aéroports de Paris and its companies, the remuneration is governed by decree no. 2012-915 of 16 July 2012 relating to the State's control over the remuneration of directors of public companies, the involvement of executive officers is not connected to interests that they may hold in the company. They act in the company's best interest, whatever the number of shares held personally.

## **2 The participation of shareholders in the general meeting**

The mode of operation and the main powers of the general meeting of shareholders of Aéroports de Paris, as well as shareholder rights and how to exercise those rights, are described in Articles 20 and 21 of the company's articles of association. These articles of association, as amended by the Combined Shareholders' Meeting of 27 May 2010, are available at [www.parisaeroport.fr](http://www.parisaeroport.fr).

Since 3 April 2016, pursuant to article L 225-123 of the French Commercial Code, fully freed-up shares which have been registered for at least 2 years in the name of the same shareholder, automatically enjoy double voting rights.

## **3 The Board of Directors**

Aéroports de Paris is a limited company with a Board of Directors since the 22 of July 2005, the date of commencement of Decree no. 2005-828 of 20 July 2005 concerning Aéroports de Paris SA, made according to Law 2005-357 of 20 April 2005 relating to airports.

### **3.1 The composition of the Board of Directors as at 31 December 2016**

Since 15 July 2009, the company is managed by a Board of Directors composed of eighteen members in accordance with Article 6 of Law no. 83-675 of 26 July 1983 on the democratisation of the public service and Article 13 of the articles of association of Aéroports de Paris

These eighteen members are split into three categories: six directors appointed by the general shareholder meeting, six directors representing the government authorities and six directors representing employees.

The shareholders, in general meeting held on 15 May 2014, renewed the terms of office for directors of Augustin de Romanet, Jacques Gounon, Els de Groot and Jos Nijhuis, and appointed the companies Vinci and Predica Prévoyance Dialogue of Crédit Agricole as directors. The permanent representatives of these two companies are respectively Xavier Huillard, Chairman & Chief Executive Officer of Vinci and Françoise Debrus, Director of Investments at Crédit Agricole Assurances.

The State's representatives are: Geneviève Chaux Debry, Solenne Lepage, Muriel Pénicaud, Gilles Leblanc and Michel Massoni, appointed members of the Board of Directors by decree dated 11 July 2014, and Denis Robin, appointed by decree dated 22 April 2015.

The employee representatives were elected in accordance with the Act of 26 July 1983 on the democratisation of the public sector by Aéroports de Paris and some of its subsidiaries on 20 May 2014. They are Marie-Anne Donsimoni (CFE-CGC), Brigitte Blanc (CGT), Serge Gentili

(FO), Frédéric Gillet (CFE-CGC), Jean-Paul Jouvent (UNSA-SAPAP) and Frédéric Mouglin (CGT).

In the context of article 13 of the articles of association, Christine Janodet was renewed and Bernard Irion appointed as non-voting Board members by the general meeting of shareholders on 15 May 2014. The appointment of Anne Hidalgo, Mayor of Paris, as a non-voting member by the Board of Directors meeting of 8 July 2015, was approved by the general meeting of shareholders on 3 May 2016. The non-voting Board members attend meetings of the Board of Directors in a consultative capacity.

The mandates of directors and non-voting Board members, which last for five years, were effective from 15 July 2014.

Article R. 251-1 of the Civil Aviation Code makes provision for the minister in charge of civil aviation to appoint by decree a Government commissioner and a deputy Government commissioner entitled to sit on the Aéroports de Paris Board of Directors in a consultative capacity. Patrick Gandil, Director General of the French Civil Aviation Authority (DGAC), was appointed Government Commissioner with Aéroports de Paris by order of the minister in charge of civil aviation on 19 October 2007, and Marc Borel, Director of air transport, was appointed Government Commissioner by order on 15 June 2015.

Béatrice Julien de Lavergne, Economic and Financial Corporate Controller to replace Caroline Montalcino on 20 July 2016, and Pascal Papaux, elected Secretary of the Works Council on 21 April 2015, also attend the Board in a non-voting capacity.

The Aéroports de Paris Board of Directors has a balanced composition to guarantee both the shareholders and the market that its duties are carried out independently and objectively. Both the organisation of the Board and its composition are appropriate with regard to the shareholders, to the nature of the activity of Aéroports de Paris, and in particular to its public service mission as an airport.

As regards the balanced representation of men and women within the Board of Directors, of the 12 directors concerned (the directors elected by employees are excluded from the calculation pursuant to the AFEP-MEDEF), five (42%) are women as at 31 December 2016.

The Directors are well motivated, experts within various areas of the company, as well as other areas of expertise. Moreover, their professional experience contributes to a well-balanced board and the quality of their work. The debates are enriched with two foreign Directors. All of the Directors are jointly responsible for developing collective operations, which is a necessary prerequisite for high quality management. The composition of the Board rests on the same principles of balanced composition.

The composition of the Aéroports de Paris Board of Directors on 31 December 2016, the nationality and description of other mandates exercised by the directors are set out in the 2016 management report - chapter 5 - Corporate Governance. The carrying out of the mandates is done so respecting legislative and regulatory provisions and the recommendations of the AFEP-MEDEF Code across all of the company's mandates.

### **3.2 The Duties of the Board of Directors**

The Board of Directors is a collegial body of the company, which determines the direction of the activity of Aéroports de Paris and oversees their implementation, as specified in Article 16 of its Statute, without prejudice to Article 7 of the Law of 26 July 1983 on the democratisation of the public sector. It is under obligation to act in any circumstances in the corporate interest of the company and is answerable to its actions in this respect before the general meeting of shareholders.

The duties of the Board are determined by the laws and regulations, by-laws and rules of procedure adopted by the Board of Directors at its meeting on 9 September 2005 and the last changes dated 19 February 2014 (the Internal Rules).

The internal rules can be viewed at [www.parisaeroport.fr](http://www.parisaeroport.fr). They specify the powers of the Board of Directors and its members, its mode of operation as well as that of its specialised committees: the audit and risks committee, the strategy and investments committee and the remuneration, appointments and governance committee.

It includes a charter for the members of the Board of Directors, which outlines the regulatory framework, and a code of ethics relating to securities transactions and compliance with French regulations on insider trading, insider infringements and market manipulation. Each member of the Board of Directors must look after the company's best interests. They must have a quality of judgement, in particular of situations, strategies and people, based predominantly on their experience. They must have an ability to anticipate enabling them to identify strategic risks and issues. Each member of the Board of Directors undertakes in accepting the Charter to remain independent in his/her analysis, judgement, decision-making and action, to reject all pressure, of any kind whatsoever and from wherever it comes, and to do so in all circumstances (Charter Article 6).

In this regard, the rules of procedure of the Board of Directors contain provisions intended to prevent any conflict of interests, any interference between a public interest and public or private interests, pursuant to law no. 2013-907 of 11 October 2013 relating to transparency in public life, together with any risk of distorting competition. In compliance with article 2 of the charter, every Board member has an obligation to disclose to the Board any situation or any risk of a conflict of interests of which they have knowledge, between him or herself (or any natural or legal person with whom they have a business relationship and/or for whom they carry out work functions) and Aéroports de Paris SA or any company in the group or company with which Aéroports de Paris envisages signing an agreement of any nature whatsoever.

In this respect, in the context of the company's obligations pursuant to article L. 225-37 of the French commercial code, every Board member must declare to the Chairman & Chief Executive Officer if potential conflicts of interest exist between their duties with regard to Aéroports de Paris and their private interests and/or other duties or obligations with regard to other natural or legal persons and, if applicable, provide details in answer to a questionnaire that will be submitted to them each year, in particular specifying past and present functions and mandates.

The Board of Directors has drawn up a procedure for dealing with difficulties connected with conflict of interests and has appointed a senior director on the matter, in compliance with the principles of objectivity and transparency. This role, entrusted to the chairman of the audit and risks committee, an independent director, is to ensure compliance with the procedure, to advise on ways of preventing said conflicts and to suggest ways of resolving situations of potential conflicts of interest. In the event of a conflict situation being noted, the Board member must abstain from voting on the matter in question.

The Chairman of the Board of Directors, who also operates the general management of the company, is appointed by decree by the Board of Ministers from among the directors and is nominated by the Board. He organizes and directs the work of the latter and represents it in its dealings with shareholders and third parties. He sees to the proper running of the corporate bodies and makes sure, in particular, that the directors are able to fulfil their duties.

The Internal Rules provide that once a year, the Board discusses its own performance, and proposes amendments to the internal rules if it finds it necessary. The evaluation thus established corresponds to the three objectives and modalities set out by the AFEP-MEDEF code on the matter.

Every three years, the Board may order an external evaluation of its own performance, under the direction of remuneration, appointments and governance committee.

An assessment was carried out by a third-party provider in 2016. Its conclusion was given at the Board of Directors meeting on 19 October 2016. It found that the general appraisal of governance by the Board members is positive; that the functioning of the Board has improved in recent years; that the Board handles subjects at the right level and works collaboratively and effectively, demonstrating collective responsibility. Moreover, the directors claimed they were satisfied with the dynamics and the performance of the Board, which are boosted by the quality of the leadership. To improve the way it functions, the members of the Board of Directors would like to lighten the meeting agendas, and see better connections between the work of the strategy and investments committee and that of the Board.

Additionally, in order to respond to the internal assessment of 2015, more complete information on certain subsidiaries was given in 2016, and close attention was also paid to the performance of corporate social responsibility (CSR).

### The Meetings of the Board of Directors

The Chairman and Chief Executive Officer convenes Board meetings either at regular intervals or at times he deems appropriate. To enable the Board to review and discuss in detail issues within its jurisdiction, the Internal Rules provide that the Board shall meet at least six times a year, and more if circumstances so require. The notice convening the Board Meeting is sent to the Board members, by any appropriate means, at least five days before the date of the meeting except in a case of justified emergency, and fixes the place of the meeting.

### The work of the Board of Directors

The Board of Directors oversees the management of the company and is responsible for the quality of information provided to shareholders and the market, through the accounts or in connection with major transactions, including company securities. While subject to the powers expressly granted to shareholders and within the limits of the corporate purpose, the Board deals with all matters concerning the smooth running of the Company and regulates the proceedings and matters where the Board is competent. It makes any such checks and audits as it may deem appropriate.

Due to the special regime governing Aéroports de Paris SA, the Board of Directors also has its own powers under Law 83-675 of 26 July 1983 on the democratisation of the public sector and the French Code de l'aviation civile [civil aviation laws]. Lastly, the Board of Directors decided at its meeting on 29 April 2009 to limit the powers of the Chairman & Chief Executive Officer.

Thus, under the Internal Rules, the Board of Directors of Aéroports de Paris:

- ◇ regularly set the strategic, economic, financial and technological policies of the company and shall ensure that they are implemented by the executive management. At least once a year, it examines the overall strategic guidelines of Groupe ADP, particularly with regard to developments in the airline industry, as well as the competitive environment in which Groupe ADP is operating; every year, the Board of Directors communicates the company's strategic guidelines to the works council in view of the consultation provided for by article L. 2323-7-1 of the French labour code;
- ◇ closes the annual corporate and consolidated financial statements, draws up the management report and convenes the general meeting of shareholders responsible for approving these documents;
- ◇ approves the half-yearly consolidated financial statements;
- ◇ defines the financial communication policy of Aéroports de Paris;



- ◇ ensures that investors receive relevant, balanced and educational information on the company's strategy, development model and long-term prospects;
- ◇ examine the group's multiple-year strategic plan;
- ◇ be informed, once a year, of the state of the company's relationship with the government authorities as part of its public service duties;
- ◇ approve the multi annual economic regulation contract;
- ◇ set the level of the fees mentioned in point 1 of article R. 224-2 of France's Code de l'aviation civile [civil aviation laws];
- ◇ adopt Groupe ADP's five-year investment and funding plan and examine its implementation every year;
- ◇ examine the annual budget of Groupe ADP each year as well as the maximum amount of money that the company and its subsidiaries shall be authorised to borrow each year;
- ◇ approve the definition of the objectives and returns on major investment projects directly carried out by Aéroports de Paris for an amount in excess of €60 million;
- ◇ approve any transfers of assets and external acquisitions:
  - ◆ in excess of €30 million made by Aéroports de Paris and relating to the development or operation of airport facilities in France,
  - ◆ in excess of €20 million made by Aéroports de Paris in relation to all other activities;
- ◇ approve any transfers of assets or external acquisitions made by Aéroports de Paris subsidiaries in excess of or equal to €20 million;
- ◇ approve settlements and renunciations of debts whose amount is greater than or equal to €15 million before tax;
- ◇ determine the principles governing the allocation of airlines among the group's various airports; and between air terminals;
- ◇ be informed, at each of its meetings, of the development of the group's activity and of its results, and assess any discrepancies relative to the budget and forecasts. At least twice a year, the Chairman and Chief Executive Officer shall table on the agenda a review of the financial position, the cash-flow position and the off-balance sheet liabilities of Groupe ADP;
- ◇ examines once a year, and as required, the position of the company's main subsidiaries and shareholdings;
- ◇ set yearly the extent of the endorsements and guarantees that the Chairman and CEO is authorised to grant on behalf of Aéroports de Paris. The Chairman and Chief Executive Officer also reports to the Board of all securities, endorsements or guarantees exceeding €30 million;
- ◇ set yearly the amount of bonds that the Chairman and Chief Executive Officer is entitled to issue;
- ◇ determine the terms and conditions of personnel and employee salary scales and indemnities;
- ◇ must ask for the opinion of the general meeting of shareholders if an envisaged operation involves a predominant proportion of the group's assets or activities;
- ◇ examines the independence of directors representing the shareholders (given that the directors representing the government authorities and the employees are not eligible, by definition), discusses the appraisal of the significant nature or not of the relationship maintained with the company or its group and of the criteria having led to said appraisal and designates some of them as "independent director" with regard to the criteria established by the AFEP-MEDEF Code;
- ◇ considers the desirable balance of its composition and that of its committees formed internally, as recommended by the AFEP-MEDEF code;

- ◇ deliberates in their absence on the remuneration of Executive Officers;
- ◇ presents to the Ordinary General Meeting the remuneration due or allocated in respect of the previous financial year to Executive Officers;
- ◇ proceed to the distribution of the directors' fees allocated to directors and in this connection, can decide to reserve a proportion to non-voting directors.

Generally, and excluding day-to-day management, all decisions that might affect the strategy of Groupe ADP, modify its financial structure or its business scope are submitted to prior authorisation of the Board of Directors. The Board also reviews issues submitted for its information at the initiative of the Chairman and CEO. It also discusses issues that a director wishes to be discussed by the Board under 'Any Other Business'.

### Information for board members

The Internal Rules state that directors must be given prior and permanent information, which is an essential condition of the performance of their duties. Subject to the provisions relating to the prevention of conflicts of interest and the transmission of sensitive data, the chairman of the Board of Directors communicates to Board members, in order for them to fully carry out their duties, all information and documents useful at the Board meeting to which they are convened, at least five days before it is held, except in the event of necessity or physical impossibility.

Board members undertake to preserve the confidentiality of information that is communicated.

The Chairman & Chief Executive Officer sends a company operating report to Board members every three months.

At the time when a new Board member takes up their functions, the Chairman & Chief Executive Officer hands over all documents necessary to the correct performance of their duties.

Finally, each director and advisory member of the Board is entitled, either at the time of their nomination or over the course of their mandate, to training from the Company regarding special features of the company, its subsidiaries, roles and sector of activity. Aéroports de Paris has also suggested that all directors register with the Institut Français des Administrateurs (IFA) (the French Institute of Administrators).

### Activity of the Board of Directors in 2016

The Board of Directors met thirteen times in 2016 with an attendance rate of 74% to discuss subjects concerning the following:

- ◇ governance, in particular with:
  - ◆ the annual review of the independence criteria for directors,
  - ◆ external appraisal of the operation of the Board of Directors;
- ◇ the remuneration of executive officers (Chairman & Chief Executive Officer and Chief Operating Officer):
  - ◆ variable compensation 2015 - objectives achieved and the amount of variable compensation,
  - ◆ remunerations 2017 of the Chairman & Chief Executive Officer: setting the amount of the fixed component and the objectives for the variable component;
- ◇ the convening of the Shareholders' General Meeting for 3 May 2016;
- ◇ the management of the Business, and in particular approving the corporate and consolidated financial statements for 2015 and the half-yearly financial statements for 2016; adopting the Management Report for 2015; preparing the management planning documents and the report on the development of Aéroports de Paris SA; updating the group's consolidated budget forecast for 2016 and the cost-reduction plan; the budget for the 2017 accounting period for the group; setting the tariff for aeronautical charges for 2017; authorizing sureties, endorsements and guarantees; authorizing subscriptions for bond issues; authorizing the signing of regulated agreements, re-examination

of the regulated agreements authorised previously and in progress in 2015, payment of interim cash dividends for the 2016 financial year;

- ◆ shareholding, with the implementation of the employee share ownership operation with an offer to acquire shares and an allocation of bonus shares;
- ◆ the group's strategy and investment illustrated by the review of the strategic plan 2011-2015, by the strategic plan known as "Connect 2020" (2016 – 2020 road map), by the 2017-2021 investment programme, and by the related financing plan, the vision of the customer portfolio, Groupe ADP transformation strategy, the vision of the European commission on the air travel sector, the examination of the main investment projects (CDG Express, etc.), the analysis of the competition in the Paris Aéroport digital customer ecosystem, participation in calls for tenders for international airport concessions, Aéroports de Paris's contribution to the French Compensation Fund for Airport Nuisance (Fonds de Compensation des Nuisances Aéroportuaires - FCNA);
- ◆ the approval of the new brand and information on the group's commitments;
- ◆ Aéroports de Paris SA's professional equality and equal pay policy; health and safety in the workplace;
- ◆ information on customer satisfaction;
- ◆ status of mapping for group risks and an overview of internal control in 2016, approval of the report from the chairman of the Board relating to financial year 2015;
- ◆ CSR performance;
- ◆ information on subsidiaries.

### 3.3 The functioning of committees associated with the Board of Directors

The Board of Directors has formed three committees: an audit and risks committee, a strategy and investments committee and a remuneration, appointments and governance committee. The purpose of the committees is to contribute to the preparation of the Board of Directors' decisions by issuing opinions that are then presented to the Board. The chairmen of the committees or a member appointed by them shall report to the Board of Directors on the proceedings and the opinions rendered by the said committees. Their powers and specific modalities of operation are described in the rules of procedure that can be consulted at [www.parisaeroport.fr](http://www.parisaeroport.fr). Their composition and activity during financial year 2016 are described below.

The members of each committee are appointed, at the proposal of the Chairman and CEO, by the Board of Directors from among its directors according to their competencies in terms of their work and experience, the interest that they have for the different subjects being dealt with and ultimately their availability. The Chairman of each committee is appointed by the Board of Directors, following a proposal from the remuneration, appointments and governance committee.

Committee members are elected for a term not exceeding their term as director.

The financial controller and either the chief or vice government representative can attend all of the committee meetings in a consultative capacity. A non-voting Board member can also be appointed by the Board of Directors to participate in a committee's meetings. It is important to avoid the presence of crossed directors between Aéroports de Paris and any other companies, in similar committees.

The committees meet at least three days before the Board of Directors meeting, except in the case of necessity or material impossibility, the agenda of which contains draft discussions on questions that are relevant to their area. The members of the committees shall be provided with whichever documents are necessary for their proceedings at least 3 working days prior to the meeting.

The members of the committees and all persons invited to committee meetings are bound by a non-disclosure obligation with respect to information that comes to their knowledge or to which they have access in the course of their duties.

For the purposes of accomplishing their work, the committees may hear members of the management of the group or they may hire experts or external advisors, as need be. Committees must, however, ensure the objectivity of the outside experts or consultants concerned.

#### Audit and Risks Committee

##### Composition

The Rules of Procedure require that Aéroports de Paris SA has an audit and risks committee made up of a maximum of five members with voting rights appointed from among the directors – one of whom represents the government authorities, one director representing the employees and the others are, preferably, independent directors. In line with the criteria set out by the AFEP-MEDEF corporate governance code, selected from among those directors nominated by the shareholders general meeting. The audit and risks committee does not include any executive officer.

At 31 December 2016 the committee consisted of four members: Jacques Gounon, its chairman and independent director, Serge Gentili, Solenne Lepage and Françoise Debrus, permanent representative of the Predica company.

The Board of Directors has noted that the members of the audit and risks committee meet the criterion of financial or accounting expertise provided for by the texts in force.

The presentation, in chapter 5 (Corporate Governance) of the 2016 Management Report, that mandates and functions fulfilled by the administrators over the course of the previous five years of activity attests to their competence in finance and accounting.

##### Tasks and functioning

The audit and risks committee's rules of procedure are based on the French commercial code and the recommendations of the AMF published on 22 July 2010 in the final report on the audit committee. The audit and risks committee has also been subject to the order no. 2016/315 of 17 March 2016, on statutory auditing, since 17 June 2016.

The audit and risks committee helps the Board of Directors to monitor the accuracy and reliability of Aéroports de Paris SA corporate financial statements and Groupe ADP consolidated financial statements, the efficiency of internal control and risk management systems, of statutory audit of accounts by official auditors and the independence of the latter and the relevance of the group's financial policy. It enlightens the Board of Directors on the reliability and quality of information issued to it. It carries out its activities under the latter's responsibility and has no decision-making powers of its own.

The audit and risks committee makes sure of the expertise, independence and objectivity of outside experts of whom it may make use.

The committee could consider executive officers other than the corporate officers, and under conditions that it determines. It hears the Executive Director, Chief Financial Officer Finance, Strategy & Administration, the Group Secretary General, the Corporate Accounts Director, the Internal Audit Director, the Director for Safety, Risk Management and Compliance and the Statutory Auditors.

##### The activity of the audit and risks committee in 2016

The audit and risks committee meets at least three times a year and as often as necessary, and can only meet if half of its members are present. In 2016, it met five times with an attendance rate of 100%. The statutory auditors participated in five meetings of the committee.

During its meetings, the committee examined in particular files relating to:

- ◆ the closing of the corporate and consolidated financial accounts 2015 and half-yearly accounts 2016, the adoption of the management report 2015, the update of the consolidated budget forecast for 2016,

A2

the establishment of management planning documents and the progress report on the development of Aéroports de Paris SA, the consolidated budget 2017, the group's 2016-2025 trajectory, setting the tariff for aeronautical charges for the period 2017-2018, the appropriation of results 2015 and calculation of the dividend, the distribution of interim cash dividends, examination of the financial delegations submitted to the general meeting;

- ◆ the Report from the Chairman of the Board of Directors in accordance with the French law on financial security for financial year 2015; the state of the group's risk mapping for 2016; deployment of internal control, and an update on measures for safety of the Paris airports; the 2015 report on the activity of the Audit Division; progress of the action plan resulting from the recommendations of internal and external audits; the audit programme for 2017;
- ◆ monitoring of off-balance sheet commitments by monitoring sureties, endorsements and guarantees;
- ◆ update on the cash-flow management policy, the authorisation for issuing bonds 2017;
- ◆ information on the formalisation of Groupe ADP's fiscal policy, information on the transparency of Groupe ADP airports and shareholdings abroad;
- ◆ review of the principal investment products;
- ◆ an update on the provisions of the order no. 2016/315 of 17 March 2016 on the statutory auditing applicable to the audit and risks committee and to the members of the Board of Directors;
- ◆ information on subsidiaries.

## The Strategy and investment committee

### Amenities

The Board's Rules of Procedure require that Aéroports de Paris SA has a strategy and investment committee consisting of a maximum of six members entitled to vote, appointed from among the directors, including two employee representatives.

At 31 December 2016 it is composed of the following six members: Augustin de Romanet, its chairman, Geneviève Chaux Debry, Marie-Anne Donsimoni, Solenne Lepage, Frédéric Mougin and Jos Nijhuis.

### Tasks and functioning

The duties of the strategy and investment committee are to: provide advice to the Board of Directors on:

- ◆ the definition and implementation of the strategic policies of Groupe ADP;
- ◆ the company's strategic guidelines and their effects on the activity, on employment and on organisation of work, the use of sub-contractors, temporary staff, short-term contracts and internships;
- ◆ the guidelines of Groupe ADP in terms of diversification or growth operations.

It examines the company's economic doctrine and any issue relating to the definition and implementation of group strategy that the Board of Directors wishes to submit to it.

### Activity of the strategy & investment committee in 2016

The strategy and investment committee meets at least three times a year and as often as necessary, and can only meet if half of its members are present. In 2016, it met five times with an attendance rate of 77%. Notably, a strategic seminar of the Board of Directors was also held on 24 November 2016.

During its meetings, it has in particular covered:

- ◆ the review of Groupe ADP's strategic plan 2011-2015, the strategic plan for 2016-2020 "Connect 2020" (2016-2020 road map); the main investment projects (CDG Express, etc.); Groupe ADP's investment and funding programme 2017-2021;
- ◆ the participation in the call for tenders for the international airports concession;

- ◆ Groupe ADP's brand and commitments;
- ◆ information on subsidiaries.

## The remuneration, appointments and governance committee

### Amenities

The remuneration, appointments and governance committee is made up of at most five members with right of discussion and vote from among the directors, including a representative of the government, a director representing the employees and directors appointed by the general meeting. It may not include among its members any executive officer and is comprised of a majority of independent Directors.

The executive officer is associated with the committee's work regarding appointments and succession plans,

At 31 December 2016, the committee is made up of five members: Françoise Debrus, independent director, permanent representative of Predica and Chairman of the committee; Jacques Gounon, independent director, Xavier Huillard, permanent representative of Vinci; Jean-Paul Jouvent; and Solenne Lepage.

The Board of Directors made sure that, in order for it to function correctly, the remunerations, appointments and governance committee is organised so that its chairmanship is entrusted to an independent director and includes all the Board's independent directors.

It is recalled that the High Committee of Corporate Governance considers in its activity report for October 2014 that a remunerations committee including two independent directors out of four members (excluding director representing the employees) should remain in compliance with the intent of the AFEP-MEDEF code provided it is chaired by an independent director.

### Tasks and functioning

The duties of the remuneration, appointments and governance committee are to formulate proposals on the amount and progression of total remuneration for executive officers, as well as on benefits in kind or any other type of remuneration, in compliance with AFEP-MEDEF recommendations, give an opinion on the remunerations policy for the company's key executives, propose to the Board of Directors a total amount and the allocation rule for directors' attendance fees taking into account their level of attendance at meetings and a policy for the reimbursement of expenses related to carrying out the duties of a director.

It is in charge of making proposals in respect of the future composition of managing bodies, the selection of directors and executive officers, and the preparation of a succession plan for executive officers; it must debate the qualification of independent directors and implement the formal appraisal of the operation of the Board of Directors.

### The activity of the remuneration, appointments and governance committee in 2016

The remuneration, appointments and governance committee meets at least once a year and as often as necessary, and can only meet if two thirds of its members are present. In 2016, it met three times with an attendance rate of 93%.

During its meetings, the committee debated on such items as:

- ◆ the remuneration of the Chairman & Chief Executive Officer and the Chief Operating Officer: achievement of targets and variable shares 2015, the first estimate of the income from variable shares 2016, fixed remuneration 2017, variable shares objectives 2017; the draft resolution "Say on Pay"; attendance fees: assessment of 2016 distribution;
- ◆ the reference document concerning the administrative bodies and general management divisions and the remuneration of executive officers with respect to 2015;
- ◆ the compensation policy for members of the Executive Committee;

- ◆ annual review of the independence criteria for directors;
- ◆ appraisal of the operation of the Board of Directors;
- ◆ the paid shareholding plan.

Given that the information communicated to the committee or to which they will have access in carrying out their duties is confidential, the members of this committee are bound to strict confidentiality with regard to any third party on the Board of Directors or committee, subject to the same system as that applicable to the Company's directors.

## 2.4 Executive Management

Article 5 of law n° 2005-357 of 20 April 2005 relating to airports and article 14 of the Aéroports de Paris statutes provides that the general management of the company is chaired by the Chairman of the Board of Directors, who takes the title of Chairman & Chief Executive Officer.

This non-dissociated management follows logically from the Law and from the Company's Statutes and Articles. Shareholders in Aéroports de Paris consider that in a changing environment, combining the functions improves the coordination between strategy and operational action. As part of the external assessment of the Board of Directors, established in 2016, the Board members considered that the combination of the positions of President and Deputy CEO is suited to the company's context.

The limitations on the powers of the Chief Executive Officer decided by the Board of Directors ensure an equilibrium between the Executive Officer and the Board of Directors, while retaining the flexibility and responsiveness necessary to administer and manage the Company following good corporate-governance practices.

Augustin de Romanet was renewed in his functions of Chairman & Chief Executive Officer of Aéroports de Paris by decree dated 24 July 2014.

Pursuant to Article 14 of the Company's Articles of Association, the Board of Directors may, upon proposal by the Chairman and Chief Executive Officer, appoint up to five chief operating officers in charge of assisting the Chairman and Chief Executive Officer. In its meeting of 24 October 2013, the Board of Directors of Aéroports de Paris proceeded with appointing Patrick Jeantet as Chief Operating Officer from 1 January 2014. His term of office was renewed on 24 July 2014. Patrick Jeantet left office after resigning on 25 May 2016.

The Chairman & Chief Executive Officer and the Chief Operating Officer must not hold more than two other director mandates in listed companies outside of the group, including foreign companies. They must also take the Board's advice before accepting a new corporate mandate in a listed company.

The other mandates exercised by the Chairman & Chief Executive Officer and Chief Operating Officer are presented in the management report for 2016 - Chapter 5 - Corporate Governance.

### The limits placed by the Board of Directors on the powers of the Chairman & Chief Executive Officer and the Chief Operating Officer

The Chairman & Chief Executive Officer is vested with the most extensive powers to act in the company's name in all circumstances. He sees to the proper running of the corporate bodies and makes sure that the directors are able to fulfil their duties. Limitations on the powers of the Chairman & Chief Executive Officer of Aéroports de Paris were set by deliberation of the Board meeting held on 9 September 2005, amended on 29 April 2009.

The Board of Directors of Aéroports de Paris decided that the Chairman & Chief Executive Officer must obtain the prior authorisation of the Board of Directors for the following acts:

- ◆ strategy and major projects:
  - adoption of a five-year investment and funding plan for Groupe ADP; definition of the purpose and profitability of those investment projects directly carried out by Aéroports de Paris SA costing more than 60 million euros; disposal of assets or external development investments of more than 30 million euros for the improvement or operation of airport facilities in France and any other activities over 20 million euros; the principles of allocation of airlines between airports or terminals; the approval of contracts as laid down in articles 2 and 3 of law n°2005-357 of 20 April 2005 in respect of airports;
- ◆ pricing:
  - ◆ approval of the multiannual economic regulation agreement; calculation of charge rates as set out in point 1 of article R. 224-2 of the French Civil Aviation Code;
- ◆ with respect to financial matters:
  - ◆ approval of transactions of an amount equal or superior to 15 million euros; the approval of any other debt where the amount is equal or superior to 15 million euros excluding taxes. However, in the case of duly justifiable emergency, the Chairman & Chief Executive Officer can approve the actions mentioned in this paragraph. He will inform the Board of Directors in the course of their next meeting.

These restrictions were incorporated into the internal rules of the Board of Directors which issues its allocations while taking into account the restrictions imposed on the power of the Chairman and CEO.

The limitations made by the Board of Directors, by proceedings on 24 October 2013, to the Chief Operating Officer's powers are those applied to the Chairman & Chief Executive Officer's powers, supplemented by limitations concerning the following matters:

- ◆ preparation of the organisation plan for Aéroports de Paris services;
- ◆ appointment of directors and strategic and senior managers, and of representatives of Aéroports de Paris SA within subsidiaries and affiliates;
- ◆ approval of investment projects;
- ◆ approval of leaseholds with a term of more than thirty years;
- ◆ approval of contracts and transactions worth more than 10 million euros;
- ◆ disposals of assets or external development investments worth less than 30 million euros, for airport development or operating activities conducted in France, and less than 20 million euros for all other activities;
- ◆ decisions on allocation of air carriers between airports;
- ◆ definition of policy and pricing conditions for fees, rents and other revenues;
- ◆ decision to issue bonds within the limit authorised annually by the Board of Directors.



## 5 The principles and rules decreed by the Board of Directors to determine the remuneration and benefits awarded to company representatives

It is reiterated that the Board of Directors of Aéroports de Paris, from 2008, adhered to the recommendations of the AFEF-MEDEF on the remuneration of executive officers of companies whose shares are allowed for negotiation in an official market.

The maximum amount for the variable component of the remuneration for executive officers has been set as an absolute value, not as a percentage. Indeed, decree no. 2012-915 of 26 July 2012 amending that of 9 August 1953 capped the remuneration at 450,000 euros for executive officers of public companies to which this decree is applicable, including Aéroports de Paris. The fixed remuneration proposed by the Board of Directors and approved by the Minister of the economy is 350,000 euros for the Chairman & Chief Executive Officer and 330,000 euros for the Chief Operating Officer. It was also decided that the amount of the variable component payable to the Chairman & Chief Executive Officer could allow reaching the statutorily authorised ceiling: the maximum amount is therefore predefined by the Board of Directors at 100,000 euros and expressed as a directly readable monetary value. The same maximum amount was retained for the Chief Operating Officer.

### 5.1 Methods of calculating remuneration to be paid to Executive Officers

#### REMUNERATION 2016 FIXED AND VARIABLE AMOUNTS

The remuneration of the Chairman & CEO and that of the Chief Operating Officer for 2016 was adopted by the Board of Directors on 16 December 2015 on the advice of the remunerations committee, and approved on 8 January 2016 by the French Minister of the Economy, in compliance with Article 3 of Decree 53-707 dated 9 August 1953 (as amended).

The gross annual amount of their fixed remuneration was set at 350,000 euros and 330,000 euros, respectively. The amount paid in 2016 was determined on a prorated basis, in consideration of the end of the mandate due to resignation of the Chief Operating Officer on 25 May 2016.

The maximum gross variable remuneration of the Chairman & Chief Executive Officer is set at 100,000 euros. This portion is based on:

- ◆ three quantitative objectives: the group EBITDA (25% weighting), the group ROCE (15%) and the overall satisfaction rate of departing passengers (15%);
- ◆ three qualitative objectives: the Aéroports de Paris SA attractiveness and welcome policy in favour of airlines and passengers (20%); the brand project (10%); corporate social responsibility, including managerial mobilisation and employee safety (15%).

The Board of Directors will assess how far each of these objectives has been reached. The weighting given to each objective defines the fraction of the variable remuneration linked to it.

The Chairman & Chief Executive Officer has a company vehicle and is covered by the contract for insurance and the personal accident policy for employees of Aéroports de Paris. He has no employment contract with Aéroports de Paris and is not entitled to any compensation under a non-competition clause.

The Chairman & Chief Executive Officer does not benefit from any severance bonus or any specific pension scheme. He does not receive fees for attending Board Meetings (see Section 2.5.2).

The Company has not set up any stock-option or share-purchase schemes that benefit the Chairman & Chief Executive Officer.

The maximum gross variable remuneration of the Chief Operating Officer is set at 100,000 euros. This portion is based on:

- ◆ three quantitative objectives: the group EBITDA (25% weighting), the group ROCE (15%) and the overall satisfaction rate of departing passengers (15%);
- ◆ three qualitative objectives: continuation of the CDG Express project (15%), coordination of the investment projects (15%), the strategy and coordination of subsidiaries and affiliates (15%).

The Board of Directors will assess how far each of these objectives has been reached. The weighting given to each objective defines the fraction of the variable remuneration linked to it. The amount paid for 2016 will be determined on a prorated basis, in consideration of the end of the mandate due to resignation of the Chief Operating Officer on 25 May 2016.

The Chief Operating Officer has a company vehicle and insurance guaranteeing the payment of daily allowances in the event of involuntary loss of professional activity. He is covered by the insurance contract as well as by the personal accident policy for employees of Aéroports de Paris. He has no employment contract with Aéroports de Paris and is not entitled to any compensation under a non-competition clause.

The Chief Operating Officer does not benefit from any specific pension scheme.

Since the departure of Patrick Jeantet was not due to a dismissal related to a strategy change or a change of control, no severance package is payable nor has been paid to him.

He received no compensation for non-competition or for any other reason.

The Company has not set up any stock-option or share-purchase schemes that benefit the Chief Operating Officer.

#### REMUNERATION 2017 FIXED AMOUNT AND OBJECTIVES OF THE VARIABLE AMOUNT

The remuneration of the Chairman & CEO for financial year 2017 was adopted by the Board of Directors on 14 December 2016 on the advice of the remunerations, nominations and governance committee and approved on 13 February 2017 by the French Minister of the Economy within the framework of Article 3 of the French Decree 53-707 dated 9 August 1953 (as amended).

The gross annual amount of his fixed remuneration was set without change at 350,000 euros.

The maximum gross variable remuneration of the Chairman & CEO is set at 100,000 euros. This portion is based on:

- ◆ three quantitative objectives: group EBITDA (25% weighting); group ROCE (15%); the overall satisfaction rate of departing passengers (15%);
- ◆ three qualitative objectives: the Aéroports de Paris attractiveness and customer service policy in favour of airlines and passengers and the CDG Express project (15%); corporate social responsibility, including managerial mobilisation and employee safety (15%); the strategy and the coordination of subsidiaries and affiliates, particularly abroad (15%).

The Board of Directors will assess how far each of these objectives has been reached. The weighting given to each objective defines the fraction of the variable remuneration linked to it.

The other remuneration elements remain unchanged.

### 5.2 Methods for the distribution of directors' attendance fees

Only members of the Board of Directors appointed in the general meeting of shareholders are authorised under the law to receive directors' attendance fees.

The Board of Directors has noted that Augustin de Romanet, Chairman & Chief Executive Officer, has waived his right to receive directors' attendance fees from Aéroports de Paris and its companies.

The allocation of attendance fees was reviewed at a Board meeting on 19 December 2013, when in addition to the previous provisions, it was decided to allow remuneration for members of ad-hoc committees.

Remuneration is attributed to Directors per session, when they attend Board Meetings and meetings of the specialised committees to which they belong, if any. The amount is based on a scale that differentiates committee chairmen.

In addition, fees are paid to the non-voting Board members, for each meeting of the Board of Directors and ad-hoc committees, according to their effective attendance and with a limit of ten meetings per year. This amount is deducted from the annual budget for directors' attendance fees allocated to the six Directors designated by the general meeting of shareholders.

If over the course of the financial year, the annual amount allocated for fees by the general meeting has to be passed by applying the provision put into place to remunerate administrators and non-voting Board members, the amount for attendance fees to which each of the administrators can claim from, and the fee amount for the non-voting Board members will be reduced in such a proportion that makes the total amount equal to the amount set aside for directors' attendance fees.

In respect of financial year 2016, the total amount paid out to those Directors and non-voting Board members concerned amounts to 114,755 euros.

### 5.3 Consultation of shareholders on the Chairman & Chief Executive Officer and Chief Operating Officer's remuneration

Pursuant to the recommendation of paragraph 24.3 of the AFEP-MEDEF code revised in 2015 and in 2016:

- ◆ the general meeting of shareholders held on 3 May 2016 was consulted on items of remuneration due or allocated in respect of the financial year ended on 31 December 2015 to Augustin de Romanet in respect of his mandate as Chairman & Chief Executive Officer, as well as those concerning Patrick Jeantet, Chief Operating Officer. The general meeting issued a favourable opinion;
- ◆ the general meeting of shareholders held on 11 May 2017 will rule by mandatory vote on items of compensation due or allocated in respect of the financial year ended on 31 December 2016 to Augustin de Romanet, in respect of his mandate as Chairman & Chief Executive Officer, as well as those concerning Patrick Jeantet, Chief Operating Officer.

Pursuant to article L. 225-37-2 of the French Commercial Code, remuneration for the Chairman & Chief Executive Officer for the 2017 financial year will be put to a binding vote at the general meeting of shareholders to be held on 11 May 2017. The achievement of the objectives of the 2017 variable share will be put to a binding vote at the general meeting of shareholders in 2018.

## 6 The publication of information relating to the company's capital structure and those elements likely to have an impact in the case of a public offer

Information relating to the company's capital structure and those elements likely to have an impact in the case of a public offer are mentioned in the 2016 management report - chapter 5.5 - Capital and shareholding.

## Systems and procedures for internal control and risk management

The provisions and procedures for internal control and risk management implemented at Groupe ADP according to the framework set out, aim to improve the steering of its activities and secure the achievement of its objectives.

Deployment of internal control to the entire group began in 2016.

### 1 The general organisation of internal control and risk management

#### 1.1 The objectives, the standards and the scope covered

Aéroports de Paris applies the mechanisms of the frame of reference relating to the mechanisms of internal control and risk management published by the Financial Markets Authority (AMF) in 2007 and updated in July 2010, supplemented by its application guide (vote of Board of Directors of 11 March 2009).

The structure of the report is based on the components of the retained frame of reference, which are:

- ◆ the Organisation and the Internal Control Environment;
- ◆ the internal distribution of relevant and reliable information;
- ◆ a risk management system;
- ◆ permanent control mechanism and activities in proportion to the risks;
- ◆ periodical monitoring of the functioning of the internal control and risk management mechanisms.

According to the definition given by the AMF, internal control and risk management are company systems, defined and put into place under its responsibility, comprising a set of means, behaviours, processes and actions adapted to its own characteristics. They are based on the rules of conduct and integrity upheld by the executive management.

Internal control contributes to mastering the company's activities, the effectiveness of its operations and the efficient use of its resources, and must allow it to take into account in an appropriate way the significant risks, whether they are operational, financial or of compliance. The system intends more particularly to ensure compliance with the laws and regulations, the application of instructions and priorities set out by the general management, the good and proper functioning of the internal procedures of the company, notably those linked to the safeguarding of its assets, and the reliability of information systems. Nevertheless, it cannot provide absolute guarantee that the Company's objectives will be met.

Risk management aims to be global and must cover all the company activities, processes and assets; it allows Corporate Officers to keep the risks at an acceptable level. As a company management leverage, it contributes to creating and preserving the value, the assets and the reputation of the company, to securing decision making and processes to favour the fulfilment of objectives, to improving the coherence of actions with the company's values, and to mobilising participants around a shared vision of the main risks.

By contributing to the anticipation and management of the risks, the risk management and internal control systems play, in a complimentary way, a key role in the conduct and control of the company's different business activities and the attainment of the objectives that the company has set itself. The coordination of these arrangements devolves to the risks and compliance department, in the security, risk management and compliance division.

The mechanisms' scope extends across the group and Aéroports de Paris SA monitors the systems in their subsidiaries that are adapted

A2

according to their own characteristics and their relationship with the mother company.

A charter explaining the principles and organisation of risk management and internal control management within the group, signed by the CEO in February 2016, was distributed to all stakeholders concerned.

## 1.2 The organisation and the internal control actors

The Aéroports de Paris internal control mechanism is based on the model of three lines of activity control, invented by the IFACI (the French Institute for Audit and Internal Control) and the AMRAE (the French Association for the Management of Corporate Risks and Insurance):

- ◆ the first line of control is exercised by every employee and their manager, in the course of their daily activities, as well as by the management system teams;
- ◆ the second line of control is permanently exercised by the functional divisions in their jurisdictions as well as the risk and compliance department, within the Airport Security, Risk Management and Compliance Division;
- ◆ the third line of control is exercised by the Audit Division, which periodically assesses the systems for risk management and internal control.

The organisation of the company's activities relies upon a mixed structure combining functional divisions and operational divisions, and on the principle of subsidiarity aimed at ensuring that decisions are taken at the most appropriate level possible.

In this context, the functional divisions propose within their area of competence the cross-cutting policies which apply to the whole of the company, as well as the standard rules of application and reporting linked to them. Assuming mainly a dual role as advisory body and consultant, they must ensure the understanding of these policies and rules within the company, assist all divisions with their implementation and make sure that they are applied.

The Risks and Compliance Section is in charge of designing and handling the internal control system as well as its deployment in accordance with a procedure applied in a systematic and coherent manner across the whole group, in compliance with the AMF reference framework.

For its proper functioning, the internal control and risk management mechanism relies on the network of ARC coordinators - Audit, Risks and Internal Control - appointed in each division of the parent company and ADP Ingénierie, Aéroports de Paris Management, Hub One and Hub Safe. The ARC coordinator organises the internal control and risk management mechanism within their entity on the behalf and under the authority of their manager, the latter remains guarantor for its implementation. The mechanism also relies on the CORCI (risk and internal control operational committee) which brings together the directors of the parent company and aforementioned subsidiaries. The ARC committee meetings, which bring together the ARC and CORCI coordinators, are held at least two times per year.

## 1.3 The principal internal control work conducted in 2016

Work on internal control during 2016 mainly concerned the following subjects:

- ◆ concerning the plan for general roll-out of internal control to the entire Groupe ADP<sup>1</sup>:
  - ◆ a steering committee, under the responsibility of the security, risk management and compliance division, oversees the project, monitors it and approves the main focus areas,

- ◆ a memo, signed by the Chairman & Chief Executive Officer, announcing the launch of the strategy, was sent on 25 January 2016; a more detailed presentation of the project was made to the management committees of each of the group's entities,
- ◆ a diagnosis was performed to identify the group's processes and activities, and an analysis of the maturity of each entity in terms of internal control was carried out;

◆ as regards management systems (SMI):

- ◆ positive conclusion of the ISO 9001 certification audit made by the Purchasing Department, attainment of ISO 9001 certification by the subsidiary Hub Safe Training, and launch of the strategy for the Hub Safe subsidiary and for the Engineering & Development Division,
- ◆ concerning airports; their ongoing internal control is structured via their management systems. Risk control is thus achieved by monitoring activities (audits and controls), reporting events and their analyses produced from oversight of regulatory compliance. The IMSS, as part of an ongoing improvement strategy, also structure the feedback and sharing of good practices.

In the field of airport security, the Security Management System (SMS) anticipates and manages specific risks, in relation with the main partners (airlines, Air navigation Service in the Paris area (SNA-RP), ground handling).

In 2016, extensive work was carried out with the DGAC (French Civil Aviation Authority) on the compliance of processes that may impact airport security, in terms of organisations, infrastructures and operations. This will enable each airport to convert its national certificate to a European certificate in 2017,

- ◆ continuation of support, by the Risks and Compliance Department, of certified divisions and subsidiaries: standards training, in their new version to take into account the development of the latter and the creation of internal audits and management systems,
- ◆ follow-up of external audit findings on certification of management systems;
- ◆ concerning coordination of subsidiaries and affiliates: change of the group's governance system (see §3.3.2);
- ◆ in terms of the internal control of accounting and financial processes: strengthening of processes for monitoring the recommendations of the statutory auditors.

## 2 The fundamentals of internal control

### 2.1 Group missions and objectives

Aéroports de Paris carries out its activities within the legal framework of decree no. 2005-828 of 20 July 2005 relating to Aéroports de Paris SA pursuant to law no. 2005-357 of 20 April 2005 relating to airports. Its missions of the also fall within the scope of the Economic Regulation Agreement (ERA), in line with articles L. 6325-2 of the French transport code and R.224-4 of the French Civil Aviation Code.

The ERA3, relating to the 2016-2020 period, was signed with the government authorities on 31 August 2015.

In support of and in line with the CRE3, the strategic plan "Connect 2020" establishes the goals of Groupe ADP for the period 2016-2020. In order to achieve them, a new strategic coordination process was implemented. It is structured around road maps that give the indicators established at group level and deployed by each division.

<sup>1</sup> On this point, Groupe ADP comprises Aéroports de Paris, Aéroports de Paris Management, ADP Ingénierie, Hub One and Hub Safe.

After being presented to the strategy and investments committee, the overview of the strategic plan 2011-2015 and the progress report on the strategic plan 2016-2020 Connect 2020 were presented on 29 June 2016 to the Board of Directors.

## 2.2 Professional ethics, the foundation of internal control

Groupe ADP has posed the development of the performance of the company with regards to ethics and national and international norms as a principle of governance. Conduct of the group's activities relies on fundamental ethical and moral principles: responsibility, integrity, respect for others. They are supported by executive management and intended to guide the working behaviours of all staff. In this regard, as of February 2015, Aéroports de Paris has formed an anti-racism partnership with the Defender of Rights and adopted a Mobilisation charter to fight for equality against racism.

In this context, Groupe ADP has continued with its commitments made in 2015 when it adopted the charter for the defence of equality against racism, initiated by the Defender of Rights; to strengthen its commitment and extend it to third parties, a "discrimination" item has been added to the contact and claim form, accessible from the group's internet portal. Similarly, general management introduced two ethics-related goals into the 2016-2020 road map of the Group Secretary General, thus reasserting its wish to include business ethics in its core values.

Since 2014, so as to affirm its commitment in terms of ethics and professional practice and make them easier to understand, Groupe ADP structured and bolstered its system with the adoption of a group ethics charter and the appointment of a group ethics officer, reporting to the Group Secretary General.

The group ethics charter is intended to formalise, reaffirm and therefore bolster, by placing them into a wider approach, the principles already presented in the general code of ethics shown in appendix to the rules of procedure of Aéroports de Paris SA, which are supplemented by specific codes. This was circulated at the start of 2015, to all personnel of Groupe ADP, of Aéroports de Paris Management, of ADP Ingénierie, of Hub One and of Hub Safe, and was systematically adopted and promoted. The group ethics charter was accompanied by a letter inviting employees to adhere to it by voluntarily signing a pact. The charter was also sent to external employees, partners and co-contractors.

The company's internal ethics officer participates in defining the rules and shared duties in terms of professional ethics and makes sure that the charter is implemented; in particular she is tasked with promoting the group's policy on ethics and guaranteeing that ethics are taken into consideration in all major projects and strategic guidelines. She coordinates all actions carried out, relying on a network of correspondents. The ethics officer also acts as the group's ethical referent and can be consulted by any employee in total confidentiality, in order to receive clarification regarding the charter or ethically related advice. Such consultation will be facilitated by the existence of a specific email inbox;

Also involved in the system is the ethics referent in terms of prevention of fraud and corruption in the person of the audit director, and the insider trading prevention supervisor in the person of the legal affairs and insurance director, who is also in charge of the prevention of conflicts of interest during the preparation of Board meetings:

- ◆ in particular, in terms of fraud prevention, a third fraud prevention plan for the period 2015-2017 has been developed. It strengthens the fraud prevention, detection and handling measures for the group. In 2016, awareness-raising training was conducted for the corporate accounts division and purchasing division teams;
- ◆ since 2016, the audit division has been part of the fraud commission of the company safety directors' club (CDSE). This commission comprises professionals wishing to share experiences, tools and methods for preventing and combating fraud;

- ◆ in terms of preventing insider dealing which may be attributed to the company directors, the preventative measures put in place by Aéroports de Paris come in response to AMF recommendations contained in its "Guide on permanent information and management of protected information" published on 26 October 2016. The executive officers and employees of Aéroports de Paris SA can inform the ethics referent in terms of prevention of insider trading for any issue in this area. The members of the Board of Directors are subject to a specific ethics code in this regard (see §2.3.2 "Functioning of the Board of Directors").

In order to encourage the appropriation and application of ethical principles, "ethical reflex cards", which present very concrete cases, were distributed in 2016 to managers and human resources managers in order to help them support employees in this area. They can be accessed via the HR employee intranet.

Moreover, the Aéroports de Paris code of conduct for information security, appended to the Aéroports de Paris Rules of Procedure, was updated and entered into force on in 2016 for all entities of Groupe ADP.

Lastly, to improve the group's ethics strategy in its projects conducted abroad, recommendations and proposals for systems were submitted to the first group committee of 2016. Since then, the assessment of the ethical risk has been included in the "golden rules" and will systematically be given for projects abroad. Furthermore, communication actions on the theme of ethics and the fight against corruption are regularly carried out for subsidiaries and shareholdings. By way of example, these awareness-raising initiatives, begun in 2015, led in 2016 to a visit to the base camps of the main work sites in the Gulf, to ensure that Groupe ADP rules were being observed.

Aéroports de Paris SA is a member of the non-governmental organisation Transparency International France (TI France) and thus enables the subsidiaries, through its intermediary, to maintain a privileged link with this organisation. In addition, Groupe ADP, which has the intention of basing its development on principles that reflect its ethical commitment, has signed TI France's declaration in favour of responsible lobbying and signed a responsible lobbying charter, to be sent to all employees concerned at the end of 2016, with the support of the organisation.

In terms of ethics, professional practice and the fight against fraud and corruption, Groupe ADP publicly affirms its commitment on its website and in its report on activity and sustainable development.

## 3 The control environment

### 3.1 Aéroports de Paris organisation

The organisation of the business is a tool for implementing the group's strategy and contributes to the successful achievement of its main objectives.

In this perspective of continued improvement, changes were made in 2016:

- ◆ Edward Arkwright was appointed Deputy Executive CEO. He is responsible for development projects, in particular those abroad, the Engineering & Development Division and the Information Systems Division, as well as the master plan, innovation and steering of transformation projects;
- ◆ the Engineering & Development Division, created in June 2015, was restructured in January 2016. It comprises the Feasibility and Programmes Division, the Construction Projects Division and the Engineering & Architecture Division;
- ◆ in light of the challenges for the 2016-2020 period, Aéroports de Paris has decided to create a General division for airport operations at group level. It will be implemented in 2017. The purpose of this division will be as follows:



- ◆ to represent airport operations at a strategic level of group governance,
- ◆ to embody the Paris airports system, in particular the Civil Aviation authorities,
- ◆ to optimise cross-functionality and harmony in airport operations,
- ◆ to centralise expertise;
- ◆ to improve the security of its information systems when faced with cyber-threats, Aéroports de Paris has created an "information system security" department for the group, within the information systems division;
- ◆ to boost their positioning and effectiveness, all of the business lawyers (except for corporate law and fiscal law experts) at Aéroports de Paris, were placed under the responsibility of the Legal Affairs & Insurance Division in 2016;
- ◆ furthermore, a discussion on the organisation of the Customer Division is in progress. This involves optimising the alignment of this organisation with the strategic goals, in order to work more effectively together in the interest of customers to satisfy their needs.

The functioning of the organisation is supported by a manager who defines the roles and responsibilities of each division, as well as the powers awarded to managers. This is based on:

- ◆ the organisation plan, which describes the legal framework for the activities of Aéroports de Paris SA, the tasks of the governance and management bodies and divisions. It is in the process of being updated in order to take into account the recent changes to internal organisation;
- ◆ the organisational decisions, correctly ratified and signed, that define the tasks and responsibilities of the company's divisions;
- ◆ the delegations conferred on Aéroports de Paris directors by the Chairman & Chief Executive Officer (delegations of management and delegations of criminal liability); some of them are currently being adapted in order to take into account the aforementioned changes.

## 3.2 The governance of the group

### The management of the group

Groupe ADP's governance and management are organised through the intermediary of various bodies:

- ◆ the Board of Directors, which determines the directions taken by Aéroports de Paris SA's activity and ensures they are followed (Article 16 of the Statutes & Articles of Association);
- ◆ senior management, which is responsible for ensuring that these company bodies function correctly;
- ◆ the Executive Committee, chaired by the Chairman & CEO, is responsible for directing Aéroports de Paris SA, both operationally and strategically, debates any subject relating to its smooth running, and monitors the proper implementation of decisions;
- ◆ two central investment committees, chaired by the Chairman & CEO, involved in the decision-making process in terms of commitments:
  - ◆ the strategic investments committee (comité stratégique des investissements - CSI), which is called on to place the various investment strategies in a business context. Following a defined annual programme, it evaluates the main medium- and long-term sectoral policies by regularly reviewing needs, risks and opportunities. It carries out a regular review of priorities and validates the multiannual investment programme for each division. Such an exercise ensures that each activity's strategic directions are coordinated with the associated schemes and plans and the multi-annual investment programme,

- ◆ the group investment approval committee (comité des engagements groupe - COE) which systematically reviews the tangible and intangible investments Aéroports de Paris SA in excess of 3 million euros and its main contractual receivables. The investment approval committee (COE) also examines the firm financial investment commitment decisions made by Aéroports de Paris, or investments made by all subsidiaries and affiliates, a scope to which the COE extended its competence in 2016 after elimination of the group committee. It also rules on the financial investment projects of the subsidiaries and affiliates, with the exclusion of those of the Schiphol Group, TAV Airports and TAV Construction; for these last two affiliates, only investments of over 30 million euros or contracts worth more than 100 million euros are subject to the COE's instruction, in order to clarify the vote made by the Aéroports de Paris representatives on the Boards of these affiliates.

### Steering of subsidiaries and affiliates

The steering system for the subsidiaries and affiliates is based on:

- ◆ governance bodies of Aéroports de Paris, first and foremost the Board of Directors and the COE;
- ◆ the governing bodies of each subsidiary, particularly the Boards of limited companies (Aéroports de Paris Management, ADP Ingénierie and Hub One);
- ◆ the policy rules that an affiliate or subsidiary may only deviate from with authorisation from the COE (called "golden rules");
- ◆ the inquiry processes for service provision and investment/major disinvestment projects.

This governance system for the subsidiaries and affiliates makes decision-making processes more effective and responsive, harmonises the skills of the governance bodies between the subsidiaries, and improves risk control.

Within this context, the finance, management and strategy division coordinates and monitors all subsidiaries and affiliates of Groupe ADP. With its overall view of this activity, it adjudicates on the alignment of projects with the group's strategic goals and carries out arbitration. Concerning non-airport contracts, the finance, management and strategy division uses the prior analysis from the real estate division and customer division, for real estate activities and commercial joint ventures, respectively.

Thus, Groupe ADP has a management structure adapted to the strategy that it has deployed and will monitor. This organisation is accompanied by a reporting system as part of the guidance of both the group and the company.

## 3.3 The other fundamental principles of the control environment

The other fundamental principles of the control environment, which are the human resources management policy and information protection (in information systems and on other media), are mentioned in the chapter on permanent control mechanisms and procedures.

## 4 The distribution of internal information

In order to carry out their responsibilities, each collaborator requires access to relevant, adequate and reliable information.

At the level of corporate governance, the agendas and the reports of the ExCom meetings are drawn up by the Office and distributed to the members.

All members of the Executive Committee and directors receive a daily press review reporting news from the group, airlines, provincial airports and foreign airports. Generally speaking, the lives of other companies in the field of transport are reported in this press review.

Groupe ADP Intranet provides for the distribution of general communication on the activities of the group. Employees are also able to access a summary of the daily press via the portal, summarising news from the group and from comparable airports. The various EDM (Electronic Document Management) sites allow for sharing of information calibrated to the needs of the operational and functional divisions, according to the modulated means of access. Of particular note, the "Essential company standards" portal facilitates access by the company's employees to the key external documents concerning Aéroports de Paris. Its objective is to help each individual in basic documentation research, complementing the information available on the various Intranet sites.

In addition, Groupe ADP circulates general or specific information to all employees mainly via the newsletter "Connexions", internal newsletters such as "infodifs", and "infodécisions" covering organisational changes, appointments, recruitment, delegations of management and pricing rates.

Finally, the annual departmental convention is the opportunity for the executive management and ExCom to take account of the group's income, to present prospects and to tackle particular themes or division-specific issues.

## 5 The risk management system

Like any business, Groupe ADP faces both internal and external risks with the potential to threaten the achievement of its objectives and its continuing development.

In this context, the group's risk management policy, initiated as of 2004, aims to ensure the identification and the optimal control of those risks which could affect its various areas of activity. It is proposed by the Risk and Compliance Section in the Airport Security, Risk Management and Compliance Division, which guides its deployment while relying on the network of ARC coordinators and controls its application.

In addition to the risk management process, the Airport Security, Risk Management and Compliance Division is in charge of the crisis management policy, experience feedback and contingencies.

The main risks which the group must face as well as the related control elements are described in chapter 3 - 'Risks and Risk Management' - in the Management Report 2016, knowing that control elements enable to best secure them. It also contains an explanation of policy on risk management and policy on taking out insurance contracts.

As part of the "natural environment" risk in the group risks mapping, the effects of climate change have been described, with an assessment of their financial impact and of specific actions established.

The measures taken by the company to combat the effects of climate change, including the introduction of a low-carbon strategy in all areas of its activity, are addressed in the paragraph "Adapting to climate change" in chapter 4 - Social, environmental and societal information - in the 2016 management report.

### 5.1 Risk Management

The Risk and Compliance Section has the aim of enabling all participating parties to hold a proper and shared vision reached in consultation of the risks likely to have a detrimental effect on the image, performance and longevity of the group, as well as their level of control. It has defined a systematic risk identification process and guides the development and follow-up of the group's risk mapping.

This process is based in particular on the risk environment, which consists of giving a single shared reference base of Aéroports de Paris risks to all entities in the group.

A single "owner" is designated for each of the group risks, with a view to bolstering the risk management system.

The method for analysing causes and the pricing of risks defines a common framework, identical regardless of the body concerned (group, parent company, subsidiary, division, operational unit), referring to identified categories of causes and impacts. The chosen method enables the company to identify the risks and the weaknesses of the entirety of its and its subsidiaries' activities, to consolidate them and prioritise them according to their probability of occurrence and their impact in financial, legal, image, operational and client terms, accounting for the control measures already in place. This step enables the definition of preventative or corrective action, which may be local or global.

The group's risk mapping is updated annually thanks to exchanges with the divisions integrating evolution in the environment and the objectives of the activity; these meetings are also a chance to discuss the options regarding the risks identified. The major risks and the risks deemed unacceptable to the company are the subject of priority attention and handling. After a review in operational committee for risks and internal control (CORCI), which brings together all directors concerned, this mapping is validated by the ExCom and then presented to the audit and risks committee and to the Board of Directors. More particularly, the action plans resulting from the group risk mapping are the subject of monitoring within these governing bodies.

Major incidents and incidents relating to risks deemed unacceptable are the subject of a census by the Airport Divisions and subsidiaries (ADP Ingénierie, Aéroports de Paris Management, Hub One and Hub Safe) within a tool for input and related monitoring actions. The census procedure was revised in 2015 in order to allow an even more detailed assessment of risks in the preparation of group risk mapping. A review of the major incidents declared by the division and subsidiaries is sent to the Chairman & Chief Executive Officer and Chief Operating Officer semi-annually.

Actions contributing to risk management, undertaken during the course of preceding financial years, were pursued in 2015 in particular with a strong link between risk mapping, the audit programme and the internal control system.

### 5.2 Crisis Management, Experience Feedback and Contingencies

The system put in place by the company aims to ensure the continuity of the group's operational control and the quality of its responses when it is faced with threats, unforeseen situations, incidents, a worsening situation or a crisis. It must contribute to optimally keep the activities at satisfying levels of quality while remaining in compliance with the security and safety obligations. The Airport Security, Risk Management & Compliance Division proposes modalities for crisis management, policy on feedback of experience (REX) and group policy on business continuity (PGCA).

The group manual on crisis management serves as a reference to internal stakeholders for the management of crisis or degraded situations, it describes the organisation of the crisis system, from standby status through to ramp-up. In order to maintain the optimal efficiency of the system, simulation drills to test the smooth functioning of the procedures are held several times per year.

The policy on feedback of experience (REX) policy (analysis of the management of incidents/events that have occurred) and principles of sharing in order to harmonise actions undertaken by the divisions and subsidiaries in the area of capitalising on experience.

The aim of the group policy on business continuity (PGCA) is to guarantee essential services, even in a downgraded manner, the interruption of which could have a major impact on the company's operations. It was reflected in a PCA (Business Continuity Plan) for the Bourget, Paris-Orly and Paris-Charles de Gaulle Airports, continues for the activities related to information systems and human resources.



## 6 Continuous monitoring systems and procedures

The objective of the permanent control systems and procedures is to provide ongoing surveillance of Groupe ADP's activities in order to become familiar with them. They ensure the application of standards, procedures and recommendations that contribute to the implementation of the Executive Management's directions.

The functional divisions, under their cross-cutting role and/or under the specificity of their activity, determine and organise the internal control mechanisms to be applied to the whole company.

### 6.1 Management systems; integral part of the operational internal-control system

Certain divisions and subsidiaries write their interventions into their systems management initiatives that constitute, for all or part of their activity, their internal control mechanism. These systems management initiatives which attest to the formalisation of professional practices, the analysis and management of issues related to relevant industry standards, the risks analysis, the compliance with relevant regulation, and the enrolment of all staff into the continuous improvement programme.

Aéroports de Paris has chosen to have some of the group's management systems certified.

This initiative now translates as:

- ◆ seven ISO 9001 certificates (quality-management system);
- ◆ two OHSAS 18001 certificates (occupational health and safety management system);
- ◆ five ISO 14001 certificates (environmental management system);
- ◆ one ISO 50001 certificate for the whole Aéroports de Paris company;
- ◆ one IFACI certificate (French Institute of Audit and Internal Control) relating to the RPAI, professional internal audit framework;
- ◆ and an ISO 17025 accreditation (laboratory studies).

The management systems are mentioned below in the chapters relating to each area of activity.

### 6.2 Systems and procedures in place for operational activities

#### Aeronautical activities

Operational activities at the heart of the function of the airports come under the direction of airport departments which rely primarily on external and internal frameworks related to their activities. These actions are conducted in relation to:

- ◆ the company's legislative requirements, as laid out in the civil aviation code and by the regulations of Aéroports de Paris SA (first attachment to ruling n° 2005-828 of 20 July 2005) as regards:
  - ◆ the environment, covered by ISO standard 14001,
  - ◆ security of air traffic, which is the subject of security programmes on the basis of which security approval is granted (see Art L. 6342-1 of the French Transport Code/code des transports). The community regulation no. 139/2014 of 12 February 2014 nonetheless requires this national certificate to be converted into a European certificate,
  - ◆ airport safety, for which airport safety certificates are issued by the minister responsible for civil aviation (see paragraph L. 6331-3 of the transport code) until the conversion to the European certificate is complete;

- ◆ progress or continuous improvement procedures that are appropriate to them with regard to:
  - ◆ quality, covered by ISO standard 9001,
  - ◆ occupational health and safety, as covered by OHSAS standard 18001;
- ◆ and a company initiative concerning energy management, covered by ISO standard 50001.

Paris-Charles de Gaulle and Paris-Orly Airports are each responsible for their own continuous improvement programmes as part of an IMS - Integrated Management System - which involves the requirements, standards and legislative or specific frameworks relevant to the six themes listed above.

The Paris-Charles de Gaulle Airport and Paris-Orly Airport IMSs are a tool for overseeing their activity and their own internal control mechanism, which are founded on the following principles, as set out in their respective IMMs:

- ◆ ensure compliance with requirements, laws and regulations imposed on airports;
- ◆ ensure airport safety and security;
- ◆ satisfy customers' needs in terms of quality and control risks of all kinds related to airport activities;
- ◆ ensure occupational health and safety;
- ◆ ensure respect for the environment and for energy control.

In order to horizontally identify and control the activities: IMSs are organised around management by processes (mainly requirements, resources, actors, risks, traceability, procedures) and reviews of processes.

IMMs present the organisation, objectives and commitments of both airports as well as the managerial and methodological provisions to be implemented in order to guarantee compliance of the airports with these requirements, standards and reference bases. All directors of Paris-Charles de Gaulle and Paris-Orly airports commit to a general IMS policy.

Paris-Le Bourget Airport and the general aviation aerodromes are implementing processes based on the principles of the IMS. Management aims to implement an IMS in the same way as the Paris-Charles de Gaulle and Paris-Orly airports.

In 2016, a monitoring audit confirmed the certification, renewed in 2014, of the management system regarding areas such as occupational and environmental quality, health and safety at Paris-Charles de Gaulle. The certification of the management system at Paris-Orly Airport was renewed in 2016.

On environmental matters, in 2016 the audits monitoring the ISO 14001 certification of Paris-Charles de Gaulle Airport, Paris-Le Bourget Airport, Issy-les-Moulineaux Heliport and Toussus-le-Noble Aerodrome confirmed the certificates. The Paris-le Bourget airport, the Issy-les-Moulineaux heliport and the Toussus-le-Noble aerodrome have updated their environmental policy as an expansion of the group policy. It is worth noting that by obtaining certification for its energy management system, compliant with ISO standard 50001, Aéroports de Paris is bolstering the management of the actions undertaken within the framework of the ISO 14001 certified environment management system and exempts the company from any obligation to carry out energy audits for each of its buildings, since 2016.

In addition, in 2016 Aéroports de Paris retained Airport Carbon Accreditation certification for its efforts in terms of reducing greenhouse gases, at level 3 for Paris-Orly and Paris-Charles de Gaulle and obtained level 3 certification for Paris-Le Bourget. The Real Estate Division rolls out the environmental-management system locally and includes in the scope the certifications awarded to airports.

As regards safety, the safety programmes, including quality-assurance programmes, for the Paris-Charles de Gaulle, Paris-Le Bourget and

Paris-Orly Airports were approved by the Prefects for their respective regions in April 2014, June 2012 and March 2013, each for a period of five years. As regards certifying the IMSs, the quality of the safety activity at Paris-Charles de Gaulle and Paris-Orly Airports is within the scope of the activity subject to ISO 9001 certification. Certification for Paris-Orly Airport was renewed in April 2016. The General Aviation Aerodromes, classed according to their security sensitivity, have specific prefectural orders in which the safety representative for each of them is mentioned.

In terms of airport safety, airport safety certificates issued to the management of Paris-Charles de Gaulle and Paris-Orly Airports in 2006 by the minister responsible for civil aviation, and supplemented in 2008 by the recognition of the proper functioning of the airport safety management systems (SMS), were renewed in December 2011 for a 5-year duration. The Paris-Le Bourget Division obtained the airport safety certificate for Le Bourget Airport in April 2013.

On the 27 February 2015, the Paris-Charles de Gaulle and Paris-Orly Airports sent a request to convert the current airport safety certificates into European certificates, accompanied by updated aerodrome manuals, in order to be made compliant with EU Regulation No. 139/2014. As regards Paris-Le Bourget Airport, the conversion request file was submitted to the DGAC (French Civil Aviation Authority) on 1 March 2016.

#### **Aeronautical fees**

Aéroports de Paris is subject to an obligation to consult annually with airlines on the topics of service quality, investment programme and pricing proposal. To this end, it consults the economic advisory committees of the Paris-Charles de Gaulle and Paris-Orly airports on the one hand, and the Paris-Le Bourget airport on the other.

The pricing proposal is certified by the Independent Supervisory Authority for airport fees.

#### **Air transport security and airport safety**

##### **Air transport security**

The Airport Security, Risk Management and Compliance Division performs its assignments within the framework of regulatory texts detailing the respective roles and responsibilities for each operator acting at airports or which play a role in air transport.

It is tasked with anticipating regulatory and technological changes. To do so, it participates in the work preparatory to drafting the Standards defined by the State and by community and international bodies. It is also responsible, with the Project Management Division and the Engineering and Development Division, for the technology watch, for maintaining the relationship with the French Civil Aviation Technical Service (STAC), for giving expert opinions on technical innovations and for initiating research and experiment.

For Aéroports de Paris, the Airport Security, Risk Management & Compliance Division proposes the security policy and conditions for its implementation and coordinates its deployment within the parent company. It plays a central role in terms of the analysis and dissemination of regulatory obligations among the Airport Divisions.

The regulations governing security are set out locally in security programmes for Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget Airports. The airport Director is responsible for the implementation of the airport's security programme and has exclusive authority, as regards the other general managers, over the implementation in order that, under all circumstances, it follows the measures prescribed by the regulations in terms of air transport security, as outlined in the civil aviation code and its application documents. The framework rules and procedures for these

security programmes and for the quality assurance programmes that are incorporated in them are drawn up in consultation with the Airport Security, Risk Management and Compliance Division. The latter gives an opinion on the provisions of security programmes before the airport directors submit them for approval by regional prefects. Lastly, under the authority of the relevant regional prefecture, the border police, air transport police, the customs authorities and the French Civil Aviation Authority perform stringent checks on the compliance with regulatory provisions at airports.

The Airport Security, Risk Management and Compliance Division centralises and assists in the monitoring of proper application of regulations through feedback of information from the management systems put in place by the Airport Divisions and expertise assessments in preparation for European Union and French Civil Aviation Authority inspections. These expertise assessments, led by the Airport Security, Risk Management & Compliance Division, involve three airports; locally, Airport Divisions may, should they wish to, implement internal audits.

Divisional security reviews are carried out on an annual basis between the Airport Security, Risk Management & Compliance Division and the Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget Divisions.

The Airport Security, Risk Management and Compliance Division is based on the security network for which it provides coordination; this network helps in standardising and exchanging practices within the group.

##### **Airport safety**

Each airport has an airport security certificate covering infrastructures, operational procedures and the security management system.

The DGAC (French Civil Aviation Authority) controls and oversees all activities in this area and issues the airport security certificate.

Within this context, each Airport Director is responsible, in terms of airport safety for taking all the measures necessary in order to ensure the safety of air traffic in and around the airport premises within the jurisdiction of the airfield operator. This is regardless of the allocation, use or management of the perimeter in question. Each area manager must keep the Airport Director informed of the implementation of measures hereby stipulated.

##### **Airport tax**

The Aircraft Firefighting and Rescue Services (SLIA), wildlife hazard prevention services, the measures carried out within the framework of environmental controls, as well as, in part, the automated border control devices, are financed by airport tax.

Within the context of managing this tax, the Airport Security, Risk Management & Compliance Division steers, in conjunction with the Finance, Management & Strategy Division, the economic performance of investment expenditures and eligible uses of airport tax. So that costs to be charged against the airport tax are correctly recorded for accounting purposes, operational units rely on the "Airport tax user guide" drawn up on the basis of the French Civil Aviation Authority guide, by the Airport Security, Risk Management and Compliance Division.

The latter closely monitors the progress of investments relating to the scope of the airport tax. Moreover, with the Finance, Management & Strategy Division, it is responsible for presenting the financial results and the three-year budget twice a year to the DGAC.



## The protection of people and buildings

Regarding the protection of persons and facilities, the prevention policies adopted in response to the measures and regulations established by the State are proposed by the Airport Security, Risk Management and Compliance Division to the Airport Divisions. This concerns in particular measures relating to fire prevention measures in Establishments Open to the Public, health protection (pandemic plan, updated in 2015), and so on. In 2016, at the request of the Chairman & Chief Executive Officer, measures to strengthen safety landside were introduced following terrorist events of November 2015.

Within the framework of its status as an Essential Services Operator (ESO) and through the application of the operator safety plan (OSP), Aéroports de Paris establishes special protection plans (SPP), implemented by the company's various departments concerned. In 2016, according to the new national security directive, published in October 2015, Aéroports de Paris updated its OSP, in connection with the concerned departments.

With regard to the Vigipirate Plan, the Airport Security, Risk Management and Compliance Division receives instructions from the State, analyses them and communicates them to the airport divisions and the various concerned departments, which are supported with advice regarding their implementation.

For their part, the airport divisions and the Estate Division are tasked with ensuring the safety of the property and buildings falling under their responsibility and of the people they shelter. In doing so they also ensure the respect of obligations lying with the landowner (brought up to sustainable development standards in particular).

As they work towards protecting both aircraft and people, the winter viability units at Paris-Charles de Gaulle Airport, Paris-Orly Airport and Paris-Le Bourget Airport concentrate all the activities and techniques related to snow and de-icing, define the rules, procedures and operating modes in these areas. They cover airside activities (roads, taxiways, runways, de-icing zones, etc.) and the landside road network (roads and parking lots).

## Airport and real estate redevelopment

In the context of the general policy of planning and development of the airports:

- ◆ the Finance, Management & Strategy Division ensures that traffic matches the capacities of terminal facilities in the medium- and long-term;
- ◆ the Real Estate Division proposes airport property policy and the real estate diversification policy (excluding passenger and business aviation terminals and associated buildings);
- ◆ the Engineering and Development Division works in close collaboration with the planning policy department, reporting to the Deputy Executive CEO and owners, to propose, by means of large-scale plans and long-term growth lines, a policy for development of the airports enabling balanced handling of sectoral policies (aviation capability, real estate, transport and environment), while incorporating concerns on sustainable development and social responsibility.

A process to regulate subcontracting has been established and implemented under the steering of the Engineering & Development Division. It helps optimise and develop the workload of the Maîtrise d'oeuvre and Architecture Division and that of ADP Ingénierie. As such, it helps harness the best part of the complementarity between the two entities on the basis of a general engineering affairs plan, meanwhile securing their respective conditions for intervention.

In this context, functions relating to project management, delegated ownership and general contracting are ensured the in following way:

- ◆ in terms of contracting: by the three airport directors, the real estate director and the Delegate Director, Office of the Chairman for the

new head office, who are assisted by the feasibility and programmes division in upstream formalisation of the projects;

- ◆ for delegated ownership: by the construction project division (for contracts granted to it) and the operational unit divisions or the real estate division for the others;
- ◆ in terms of project management: by the Prime contracting and Architecture Division and the research bureaux of the airport divisions and of the Real Estate Division for comparatively small local projects.

The organisation of roles and responsibilities permits the organisation of a relationship structured on the model of captain/pilot to ensure the achievement of objectives defined by the project management in terms of deadlines, costs and quality. This relationship applies to large and/or complex operations:

- ◆ in the upstream phase, between the owner and the feasibility and programmes division, via a framework letter (goals, project feasibility study);
- ◆ in project phase, between the owner and the construction project division, via an engagement letter (launch of studies, followed by construction of the structure). Relations between the delegated ownership (the construction project division) and the prime contracting (the Engineering & Architecture Division) are systematically governed for their part by a contract agreement, which is the subject of regular project monitoring meetings.

A guide, made available to all stakeholders, formalises the best practices in terms of project management from the definition/design to commissioning: clarification of the roles and responsibilities of project stakeholders and creation of the "project holder" role, splitting projects into major phases (upstream, completion, operation), optimisation of the key phase (upstream) and improved reporting.

In this context, the role of "project holder", assigned by the project manager, is responsible, at the upstream phase, of consolidating the different needs and steering the preliminary studies, in a concern to secure the feasibility of a construction/development project. A project leader from the feasibility and programmes division collaborates with the project holder to perform the technical assembly of the operation (writing the programme, schedule, estimate of the project, feasibility study, etc.) and prepare the appraisal documentation for the investment approval committee. This helps secure the sequence of the design studies.

Furthermore, the Engineering & Development Division proposes a commissioning strategy to the owners (systematic on structuring projects), allowing them to support the operator in handling the installation, and ensuring that the project's environmental goals are reached. This strategy aims to ensure that the installations function correctly in operational situations, thanks to a monitoring system defined contractually. The Prime contracting and Architecture Division is continuing with a BIM (Building Information Modelling) approach for selected projects. This working method is based on the introduction of a multidisciplinary and interoperable 3D digital model that brings together all those involved in a project (project manager, project management assistants, prime contractor, sub-contractors and businesses). Training actions are conducted as required within the division.

Delegated ownership, construction project division and the prime contracting, Engineering & Architecture Division, use the SPIRIT system (Suivi, Pilotage Intégré et Reporting des Investissements et des Travaux - Monitoring, Integrated Management and Reporting of Investment and Works) which improves the management and monitoring of projects in terms of time scales and costs, thanks to an automated reporting system that improves the visibility of projects for project managers. In addition, a module aimed at automating and monitoring the accounting for major-works contracts was implemented at the end of 2015.

The Engineering and Development Division's quality master plan brings together information about project-management processes and is subject

to a process of periodic update and continuous improvement. The Prime contracting and Architecture Division is certified to ISO 9001 (monitoring audit conducted successfully in 2015), as well as the Laboratory attached to it, also accredited by the French Accreditation Committee (Comité Français d'Accréditation-COFRAC) in the context of ISO 17025.

The Real Estate Division, for its part, is tasked with improving the value and density of the company's assets, with regard to the real estate developments located in its scope of consolidation. In 2016, the division continued its real estate operations in order to secure full and complete title for Aéroports de Paris on its property.

The asset management policy developed by the Real Estate Division aims at ensuring the sustainability of the Aéroports de Paris SA real estate base (subsidiaries included) and improving its performance. The main performance factor is based on asset profitability, which integrates the notions of return and the market value of buildings.

In practice, it involves defining the real estate strategies that are best adapted to different building portfolios in order to make them as competitive as possible; consequently, focus is laid on the concentration of investments in the most value-creating operations.

Actions are also undertaken to assess the recovery potential of the developed property in certain areas and to define the future areas of development.

The guide, describing the sequence of Aéroports de Paris construction/development projects, has been completed by a guide on the principles of organisation of the real estate development activity in 2015. A real estate development process manual was developed to enhance this document in 2016.

The Real Estate Division relies on an Operational Management System (Système de Management Opérationnel - SMO) to manage operationally its marketing and property-management activities in relation to assets for which it is responsible at the Paris-Charles de Gaulle and Paris-Orly Airports. This SMO is being updated in 2016.

Ultimately, in 2015, the Real Estate Division initiated an environmental certification process regarding commercial buildings in operation. In 2016, the division decided to conduct a "pilot" on the entire real estate programme, and chose a type of certification reference system.

Lastly, to optimise the clarity and management of the real estate subsidiaries, the division decided to group them together within two entities: services and industrial. Thus the principle of restructuring the organisational chart for these companies was approved in 2016. It will be implemented in 2017.

### **Shops and Services - Customer service**

The significant improvement in customer service is a strategic priority for the group and a major factor of competitiveness.

In order to deal with this issue, the Customer Division is enlisting all the expertise and support sectors needed to respond to all aspects of customer challenges. Thus the Customer Division is addressing both passenger customers and new airlines. This grouping together favours the synergies and consistency of procedures undertaken towards each customer category in terms of service, prospecting and customer culture.

To achieve it, the Customer Division has defined a "Connecting client 2020" strategy that revolves around four principles:

- ◆ raise the quality of service to the level of the best European airports;
- ◆ increase the number of destinations offered from and to Paris;
- ◆ simplify and personalise the customer relationship, in particular by means of digital;
- ◆ propose the best of the Parisian experience, through a unique offering of retail and services.

In order to raise the level of service quality, the company has equipped itself with a set of "reference systems" which establish a unique framework

shared by all business lines in the company. These reference bases group together a set of "customer vision" recommendations on how to deliver the service each day (targeted waiting times; the reliability of the information provided; the cleanliness and the tidiness of spaces; the maintenance of services) and to design infrastructures (the layout/design of spaces; the information and orientation system; features for ambience; the equipment and services to be offered). Lastly, to bolster its ongoing improvement strategy, the Customer Division also establishes service commitments for its passenger customers: specific commitments that are based on concrete evidence and demonstrate the company's "best effort" stance.

For development projects in terminals, the Customer Division defines and makes known customer expectations to the Airport Divisions. It formulates them as technical, spatial organisation or ergonomic principles to be complied with. It relies in particular on reference bases drawn up collaboratively with all those concerned. Thus an overall procedure enables it to take into consideration the issues of its different customers, and to guarantee greater consistency in the design of projects to develop areas in a terminal.

The Customer Division and the Airport Divisions share responsibility for the proper application of reference bases on the ground and the fulfilment of the service commitments vis-à-vis passengers and airlines.

Concerning development with airlines, the goal of the Customer Division is to develop the airline customer portfolio and promote the company abroad. Airport Divisions retain responsibility for the local business relationship with airlines, in order to respond optimally and promptly to changes in their requirements.

With a view to optimising passenger experience in the airport and securing revenue targets for Aéroports de Paris, the Customer Division is also tasked with ensuring the development of commercial activities. Development of sales activity is based on an economic model either of joint ventures, owned with equal parity by Aéroports de Paris and by a specialist in the business, or of direct management by the brands. This economic model aims to provide Aéroports de Paris with a very high level of control on implementation of its strategy.

Moreover, the division guides the monitoring of commercial activities by responding promptly to changes in passenger and customer demands, especially thanks to a weekly relaying of information shared with the concession holders concerned.

Due to the specificity of its business, the Paris-Le Bourget Division has introduced a customer experience follow-up system which relies in particular on a survey regularly conducted with its main customers.

The Real Estate Division ensures that the goods and/or services supplied to occupants of real estate, whether internal or external, meet their expectations at all times.

### **Development overseas**

The international division proposes and implements a development strategy to allow the group to grow outside of Paris, and establishes and implements the investment and international development policy. It thus establishes the pricing policy, assesses the level of risk and selects the countries to be approached.

In order to ensure consistency of its action and risk control, it systematically relies on the contribution provided by dedicated staff belonging to the Legal Affairs & Insurance Division, as well as the Accounts Division (notably the taxation centre).

Ultimately, it is worth noting that the certification according to ISO standard 9001 of the ADP Ingénierie quality management system was confirmed in 2016 by monitoring audits.

## 6.3 Systems and procedures in place for multi-disciplinary activities

### CSR - Corporate Social Responsibility

In terms of sustainable development and corporate social responsibility, Groupe ADP is the highest ranked of the five major European airports - LHR Airports Limited, N.V. Luchthaven Schiphol, Fraport AG, ENAIRE (formerly AENA) and Aéroports de Paris - as well as among the TAV Group (TAV Havalimanlari Holding A.S.). Moreover, Groupe ADP is the only airport group that features among the Global 100<sup>1</sup> and is present in several socially responsible investment indexes, notably the Dow Jones Sustainability Index (DJSI) World and Europe, in which it reached 78/100 in 2016, decreasing by 1 point compared with 2015. Groupe ADP is also included in indexes such as the ISR Euronext Vigeo Monde 120 and France 20 (since November 2015), Euronext Vigeo Europe and Eurozone (since 2012), FTSE4GOOD (2015), MSCI (2012), Ethibel (2009), Oekom Prime (2014). From 2014 to 2015, Groupe ADP rose from 92A- to 98B within the framework of the CDP (Carbon Disclosure Project) and reached level B in 2016 (new scale spread over A to D with 8 levels: level B "management" is ranked 3<sup>rd</sup>).

A group CSR charter, adopted in 2014, confirms and formally states the commitments that Groupe ADP is making, in relation to its internal and external stakeholders, in the area of social responsibility: This framework document shall be laid out in thematic charters.

The Environment and Sustainability Division coordinates and drives the CSR initiative within the group, by relying on the Group Secretary General for ethics and codes of conduct, into the Customer Division for customer service, into the Human Resources Division for corporate aspects, into the Purchasing Division for sustainable purchasing, into the Airport Security, Risk management and Compliance Division for risk management and internal control, whereas the Environment and Sustainability Division is included in the environment and societal commitment sector. These aspects are treated in this document in the corresponding sections.

The Environment and Sustainability Division raises awareness among employees of the CSR thanks to several systems, including the organisation of training sessions for management-level staff, incorporation of CSR into other training courses for non-management staff, and the existence since 2015 of a community of eco-employees to reach all employees.

It also coordinates the non-financial ratings procedure, conducted since 2005, with the support of dedicated interlocutors within the divisions and the subsidiaries.

Non-financial rating takes place one year out of two, with this frequency making it possible to take into account the lead-times required for accomplishing certain action plans in the context of a continuous progress dynamic that commits all entities in the group.

Since 2014, rating has been carried out by the independent rating agency Ethifinance and pertains to the following themes: governance, environment, human capital, customers, purchasing and societal commitment (information concerning the initiative and methodology are available on the official website [www.ethifinance.com](http://www.ethifinance.com)). The working framework used by Ethifinance is consistent with the guidelines for the ISO 26000 standard, a performance repository in the matter of CSR which the Environment and Sustainability Division wished to use.

Groupe ADP is the only major European airport group to voluntarily submit to extra-financial rating, and has set itself the goal of achieving 83/100 in 2020, an increase of 5 points over the 2014 rating. In 2014, the scope of the rating included Aéroports de Paris SA and its subsidiaries ADP Ingénierie, Aéroports de Paris Management, Hub Safe and Hub One. With an increase of around 10% between 2012 and 2014, the consolidated rating for the

group stands at 78 out of 100, at "Excellence" level - the highest level of maturity in the scale used by the rating agency Ethifinance.

In 2016, for an identical scope, Groupe ADP achieved a score of 82 out of 100, an increase of 4 points compared with 2014. The scores, for each theme, for Aéroports de Paris SA and for each of the subsidiaries rated, have all increased, illustrating the extent of commitments across all themes, the control over deployment of actions undertaken and advanced performances.

The verification of the presence and reliability of corporate, environmental and social information shown in the group's management report for 2016, in compliance with decree no. 2012-557 relating to the obligations of transparency of companies on social and environmental matters, was carried out by Deloitte, designated in November 2015 as independent third-party certifier for financial years 2015, 2016 and 2017.

Ultimately, a study into our CSR motives was carried out in 2014 with support from an external third party, which identified twenty priority motives. The results were published on the website [www.parisaeroport.fr](http://www.parisaeroport.fr) in the group section, on the CSR tab.

### The environment

Groupe ADP is conducting a proactive environment and energy policy intended to accompany its growth. This has been proposed by the Environment & Sustainability Division. The environment, energy and CSR committee, chaired by the Executive Director, has two meetings a year, once of which is dedicated to a review of energy management. The division also proposes cross-functional support for environmental management procedures within the group.

The environmental and energy policy is based on reducing the environmental impact of the company's activities. This is broken down into thematic policies (energy - wastes - water - movements, air and emissions, biodiversity - renovation and sustainable construction) which describe the context, issues and fixed, precise and measurable objectives for each area. They thus enable the prevention and limitation of the direct impacts of Groupe ADP's activities and, as far as possible, of their indirect impacts. Groupe ADP reports annually to the stakeholders on these goals and on the results obtained on its website. The environmental and energy policy, signed by the Chairman & Chief Executive Officer, covers the 2016-2020 period.

Since June 2015, the energy management system (SMÉ) has been ISO 50001 certified; the follow-up audit in June 2016 confirmed the certification. Furthermore, the company's three main airports maintained their ISO 14001 certification in 2016, as well as the Airport Carbon Accreditation (ACA) level 3, certifying management of internal and external greenhouse gas emissions.

The different departments of Aéroports de Paris SA develop the environmental and energy policy for their activities, and in particular the Operational Divisions (Paris - CDG, Paris-Orly and Paris-Le Bourget/ general aviation aerodromes, and Real Estate), the Engineering and Development Division, the Project Management Division, the Information Systems Division and the Purchasing Division. The implementation of these actions and the benefits they bring about are measured and quantified by means of periodically monitored indicators.

### Human Resources

Human Resources (HR) policy must enable the company to reach its targets by developing both its collective and individual efficiency as well as its social responsibility, whilst maintaining a sustained social dialogue, vital to management of its projects and its employees' quality of life. It contributes directly to the priorities of the Strategic plan Connect 2020 and to the Economic Regulation Agreement 2016-2020.

<sup>1</sup> Ranking announced end of January 2016.

HR policy hinges, with respect to the company's CSR commitments, on four main topics: employment, managerial development, remuneration, and health and safety in the workplace. As part of the Connect 2020 plan, management have attended information meetings to help them share the group's major challenges and strategic focus areas in terms of human resources for the next 5 years.

The quality and competence of the men and women are the essential factors for the control of risks, for development and for the implementation of the internal control system. In order to ensure that employee skills meet the requirements of Aéroports de Paris, the employment policy aims to both anticipate and steer the changes in jobs and employment. It relies in particular on the major leverage provided by training in order to help employees adapt to these changes. Replacing the unilateral system covering the years 2012 to 2015, the collective agreement signed on 29 January 2016 for the years 2016 to 2018 on jobs and skills management, includes the provisions concerning the training.

Concerning social responsibility, the tools are based upon the objectives and provisions of collective agreements – professional gender equality, employment of disabled people. The provisions concerning jobs for young people and seniors (generation contract) are included in the collective agreement of 29 January 2016. The employment policy also applies measures related to the recruitment of youth from priority neighbourhoods.

A more general negotiation on diversity was started in 2016. It aims to take on transversal commitments for all discriminatory criteria, although recording the maintaining of specific commitments if necessary.

The managerial development policy for the attention of the team or project managers aims to foster professional development and improve the company's performance while respecting social balance. The values on which the group bases its development – confidence, commitment, boldness, openness – have been defined on the basis of work that largely associates employees and management. In order to help the entire management line integrate these values into their daily responsibilities, a spearhead deployment action has been in place since 2015. At the end of 2016, 60% of managers received this training.

Remuneration policy is structured by Aéroports de Paris' staff regulations. The remuneration regulations are completed by salary agreements, agreements concerning incentives and profit sharing and by employee saving schemes. In 2016, an employee share ownership operation was implemented, with two parts: free allocation of shares and an offer to purchase the Company's shares with preferential conditions, reserved for current and former employees of Aéroports de Paris and of the subsidiaries belonging to the group's savings plan.

The Aéroports de Paris workplace health and safety policy was renewed in 2015 with the identification of 3 priorities in terms of prevention: the risks relating to attacks and anti-social behaviour, the risks involved in transfers and psycho-social risks.

These priorities are the subject of a communication and commitment from the Chairman & Chief Executive Officer to all employees. One-day training sessions on the theme of workplace security were held on 17 November 2015 and 19 May 2016 in order to launch the mobilisation plan, and involve all the company's managers and employees.

This mobilisation was stepped up, given the poorer results in terms of frequency and severity of workplace accidents in 2016, and led to the introduction of an emergency plan. Close monitoring of workplace accidents is now on the agenda for the Executive Committee, whose members personally attended the new "Security" training session held on 17 November 2016. Additional initiatives are also in place.

A project steering committee, combining occupational safety and current procedures was put in place in 2015 to follow a multi-annual mobilisation plan.

For Aéroports de Paris SA, the rules relating to management of human resources are defined by the staff regulations and their application notes, and are supplemented by collective company agreements and action plans. These regulations, as well as the Rules of Procedure, are accessible to all staff members on the intranet site. Most of the related procedures are available in a special area, accessible to HR, central and local departments.

At group level, the Director of human resources of the parent company organises meetings with its counterparts from Aéroports de Paris Management, ADP Ingénierie, Hub One and Hub Safe and works with them on areas in her areas of expertise (legal watch, compensation, mobility).

Collective agreements on the "generation contract" were signed at ADP Ingénierie and Hub One as well as on gender equality; for each of these two areas, Hub Safe is implementing specific provisions and started and started negotiations of collective agreements in 2016. Progress is reported quarterly in a "Group HR Social Report".

As concerns the international and intergroup mobility policy, its principles are formalised within the group mobility charter. The Human Resources Division and the International Division jointly define and implement this policy. The Airport Security, Risk Management & Compliance Division proactively devises and manages the system for protection of the group's international expatriates on long- and short-term assignments. To strengthen exchanges and information, a seminar bringing together the expatriate employees is organised every year, a site is made available to employees on the company's Intranet and training about awareness of safety abroad is given regularly.

## Information protection

Running the various business lines within Groupe ADP, and managing changes to them and the ecosystems surrounding them, requires the daily processing and exchange of information. Information assets are thus critical for the group, and should be preserved.

Information protection includes all activities aimed at guaranteeing confidentiality and secured and tracked access to the group's sensitive data, whatever its nature or medium – physical or virtual. Groupe ADP has a general policy on information protection (PGPI), which, in order to secure digital information, is based on the Information Systems Security Policy (PSSI).

Within the Airport Security, Risk Management & Compliance Division, the Information Protection Officer is tasked with proposing PGPI, ensuring its implementation in the group, deploying a culture of information protection in the group, and ensuring compliance with the Data Protection act. The general policy on information protection is comprised of a document on general policy that establishes the foundations and proposes the overall strategy on information protection for the group and on thematic documents called "reference bases" covering the rules of classification, confidentiality, conservation and access to be complied with. In this regard, the initiative involving the classification of documents produced by the group's entities was launched in 2015, and continued in 2016 with the support of the Airport Security, Risk Management & Compliance Division.

Communication initiatives are also conducted among the group's employees, to inform them of the importance of protecting information, including personal data.

The PGPI helps ensure compliance with Groupe ADP's codes of good practice for information security (see Professional ethics, the foundation of internal control).

The Information Protection Officer is also the appointed IT and Civil Liberties Correspondent (Correspondant Informatique et Libertés - CIL) with the French National Commission for IT and Civil Liberties



(Commission Nationale de l'Informatique et des Libertés - CNIL). The appointment of a Data Protection Officer makes it possible to simplify the regulatory formalities and affirm the company's commitment to ethics and good citizenship. The data protection officer keeps a list of personal data processed by Aéroports de Paris. The personal data processed by Aéroports de Paris was identified, compliance with the EU regulation 2016/679 was checked, and an action plan was formalised. In 2017, the data protection officer will continue to prepare the company for changes in the regulations.

### Information Systems and their Security

The company determines its strategic directions in terms of Information Systems and has an Information Systems Security Policy in place that covers all three areas: Management Information Systems, Airport Information Systems and Industrial Information Systems.

The purpose of the Information Systems Division is to build, operate and maintain the management and airport information systems, and ensure that they are consistent and continuously available, in order to guarantee that they meet the needs of each entity in the group. In particular, it defines the orientations in terms of technical and application infrastructures for these information systems, and guarantees their overall architecture, their self-consistency and their resilience.

The Information Systems Division proposes the strategy for industrial information systems that come operationally under Airport Divisions and the Real Estate Division.

Subsidiaries are responsible for their own ISs.

In addition to its role as editor of information system solutions, computing manager and project manager in the field of telecoms, the Information Systems Division also plays the role of integrator to meet the needs of the various entities of Aéroports de Paris by relying on its own expertise, that of the subsidiary Hub One, or even external expertise if necessary.

The organisation around the information systems is based on best management practice for the ITIL (Information Technology Infrastructure Library) information system, progressively shared among the stakeholders. ITIL is a very broad benchmark which enables the organisation of an information system, improvement of its efficiency, reduction of its risks and increase the quality of the computing services provided. In parallel, ISO 9001 certification of the Information Systems Division was renewed by the audit that took place in June 2016.

The management of IS Security comes under the responsibility of the Information Systems Division. In 2016, the division expanded by including an information system security department, headed by the Group Head of Information Systems Security<sup>1</sup>. The SSI governance has also evolved, with the creation of an SSI strategic committee (C3SI), chaired by the Executive Director, who joins the operational committee for security of information systems (COSSI), tasked with coordinating and implementing the PSSI within the group.

The RSSI, also the Authority Qualified for the Security of Information Systems within Aéroports de Paris's operator of vital importance missions, proposes the Information Systems Security Policy, provides support for its implementation and defines a system for the evaluation of risk control.

The Information Systems Security Policy helps ensure compliance with Groupe ADP's codes of good practice for information security (see Professional ethics, the foundation of internal control).

Operational security and the implementation of transverse systems to improve IS security come under the Airport Divisions, the Real Estate Division and the subsidiaries in areas that affect them. The Information Systems Division itself provides the IT security of management information

and airport information IS, and proposes the security policy for industrial information systems.

In 2016, in order to comply with France's Military Planning Law, Groupe ADP identified its vitally important information systems (SIIV).

### Purchasing

The Purchasing Division's principal objectives are to ensure control over expenditure while guaranteeing an excellent level of service for Aéroports de Paris customers, and to optimise purchase costs so as to contribute to improvement of the total cost for operating the different activities. The purchasing policy that it proposes is laid out in the three main areas of quality at the best price and in the timeliest manner; the supplier relationship and responsible purchasing.

The company has set itself the aim of securing and optimising the purchasing procedure in order to limit the risk of fraud and cost overruns, of contributing to the collective performance through the lowering of costs and processing times, of securing calls for consultations, drafting of contracts and the ordering process, and of encouraging synergies within the group.

For this purpose, the purchasing area is organised around three main functions: the purchasing function, the procurement function, which is being provided by the Purchasing Division, and the support function which comprises an internal control unit. The purchasing function relies on a matrix organisation around buyers and purchasing officers present in the divisions and serving as intermediaries.

Buyers with the expertise and know-how for each purchasing category implement tender consultation and bidding procedures.

Following on from the actions taken to secure the purchasing process, the Purchasing Division guided the procurement process: local purchasing units, which report to the Purchasing Division, are given suppliers and ensure the coverage for the whole life cycle of a product or service: according to the needs expressed by the prescriber who deals with invoicing disputes.

Consequently, aside from purchasing officers, the local procurement unit managers ensure the correct application of the policy and the procurement strategy within the operation and functional units concerned.

The support function, for its part, describes, implements and develops the processes, tools and resources, (reference bases, reporting systems) making it possible to manage and coordinate the purchasing performance. In this context, the internal control unit is responsible for purchase risk mapping (operational, legal, financial, brand image) as well as respecting the implementation of the running of internal control within the division. In this regard, it makes sure that the systems supported by the division for the entire purchase cycle enable it to control its activities, and assesses this level of control by creating tests (second-tier tests).

In order to clarify and harmonise service practices and levels within the company between the purchasing function and the advisory bodies, service agreements are contracted and reviewed each year between the Purchasing Division and the most significant operational units and functional divisions, thus making it possible to cover over 95% of the purchasing activity. The indicators which feature in these agreements, drafted in collaboration with the divisions, are included in the Purchasing Division's monthly operating reports.

The Purchasing Division also relies on a definition of processes and a body of procedures that describe the responsibilities of each party involved (advisory bodies, buyers, local procurement unit managers, suppliers, lawyers, management controllers) to secure the overall purchasing/procurement process and ensure the traceability of all transactions.

<sup>1</sup> On this point, Groupe ADP comprises Aéroports de Paris, Aéroports de Paris Management, ADP Ingénierie, Hub One and Hub Safe.

It also relies on dematerialised tools: SPARTACUS, collaborative platform for management of purchasing files (monitoring of due dates, validations, etc.), which integrates a tool for management of consultations - SARDANE, tool for automatic creation of contracts based on a store of around one hundred standard models, -SIEL, platform for electronic signature -and PROVIGIS, platform for collection of documents to be supplied in respect of contracts, and ATHENA, tool allowing prescribers to write down their needs, which are then validated by their managers in the tool CIDERAN.

Given the extension of its scope for intervention, in June 2015, the Purchasing Division launched the certification process for its activity, in compliance with the ISO 9001-2015 standard. A diagnostic and support phase took place from October 2015 to September 2016. It helped to improve monitoring of the performance of processes within the certification scope (steering/business lines/supports). The certification audit was a success in December 2016.

As regards CSR, Aéroports de Paris is a signatory to the Global Compact and its approach aims to ensure that supplier and service-provider practices comply with the commitments made regarding human rights and working conditions. The Purchasing Division, in association with the Human Resources Division, the Legal Affairs and Insurance Division and the Environment and Sustainability Division, deploys systems for this purpose (specific clauses in contracts, CSR criteria for evaluating bids, social audits for certain service contracts, etc.).

The Purchasing Division has also signed several binding documents with other major principals, such as the charter for responsible supplier relationships (the Audit Director, responsible for the prevention of fraud and corruption, acts as mediator for suppliers and sub-contractors) or the SME (Small and Medium-sized Enterprises) Pact. In March 2014, building on the principles defined in the Charter, the Purchasing Division obtained the State Label "responsible supplier relationships" for three years, awarded by a committee under the French Ministry of the Economy, Industrial Renewal and Information Technology.

The means of contracting and procurement are governed by rules for public tenders applicable to Aéroports de Paris, as an adjudicating entity, pursuant to directive 2014/25 of 26 February 2014, relating to procurement procedures in the water, energy, transport and postal service sectors. This directive was transposed into French law by Order No. 2015-899 of 23 July 2015 and by the decree no. 2016-360 of 25 March 2016 relating to public procurement. These regulations are described in the RGM (General Rules Governing Agreements), which will be updated.

Some procurement projects and contracts are subject to the opinion of the advisory committee on procurements and contracts (CCM) who examines them, gives an opinion and checks that procurement procedures comply with the laws and regulations applicable to Aéroports de Paris.

The contracts submitted for examination by the CCM are projects and contracts that have undergone preliminary publicity and competitive tendering procedures, of a value that exceeds the threshold set by the Chairman & Chief Executive Officer as well as the procurement of a value lower than this threshold, which the Chairman of the CCM may decide to include in CCM meetings, in conjunction with the Economic and Financial Corporate Controller.

The Chairman of the CCM, in conjunction with the Economic and Financial Corporate Controller, may decide to include certain amendments to procurements in the conditions set out in the Rules of Procedure as their opinion or as information.

Furthermore, the CCM is informed on an annual basis:

- ◇ of the contracts signed in compliance with the framework agreements present for assessment;
- ◇ of the use of the qualification schemes established by Aéroports de Paris;

- ◇ of the conditions for the execution of procurements that have been presented to it once such procurements have been completed;
- ◇ of the policy pursued by Aéroports de Paris for its strategic purchase segments and main principles guiding its purchasing strategy;
- ◇ of the results of the recommendations formulated over the course of proceedings;
- ◇ of the risks identified within the group's risk mapping and actions for risk control in terms of procurement and audit tasks relating to purchasing.

### The legal framework

The Legal Affairs and Insurance Division ensures that acts and decisions taken by the company are secured while continuing its mission to provide legal advice to all divisions and subsidiaries of the group. It proposes and implements an insurance policy and a policy for preserving documents, and circulates the associated legal procedures.

The role of the Legal Affairs and Insurance Division is to generally coordinate, lead and direct the legal function at group level, subject to matters arising from tax law and, excluding disputes, arising from employment law. To this end, it coordinates the actions of all group lawyers operationally attached, while performing certain roles which remain centralised. These lawyers provide a point of contact between the Legal Affairs and Insurance Division and their subsidiaries. All of the lawyers (except for corporate law and fiscal law experts) at Aéroports de Paris were placed under the responsibility of the Legal Affairs & Insurance Division in 2016. In the context of its coordination and steering role, and with a view to ensuring consistency in the management of legal affairs and harmonisation in the knowledge, circulation and application of rules of law that apply to the group, the Legal Affairs & Insurance Division provides employees with access to a set of legal data on its Intranet site (summaries of regulations, legal analysis memos, procedure files, templates for contracts or clauses, normative acts, laws and texts of a regulatory nature, etc.). In addition, appropriate training is designed to disseminate a common legal culture throughout entities within the Business.

The charter of the lawyers in the in-house legal network describes the rules of ethics and best practices that each lawyer in the Aéroports de Paris SA legal network is bound to observe.

### Innovation

Aéroports de Paris is developing an open innovation initiative that aims to identify innovative companies to develop new services for its customers and partners, improve the quality of service in its airports to enhance its competitiveness and distinguish it from other major international airports.

The company has equipped itself with a slight cross-functional innovation structure reporting to the Executive director; this unit has its own budget.

It identifies potential areas of innovation for the company and for this purpose mobilises people on cross-functional projects. In direct line with the company's values and with the strategic plan, its purpose, in the short term, is laid out in the procedure to accelerate innovation processes and, in the medium, in the development of new business models.

By using a collaborative approach and the 'AGILE' association, the innovation structure is able to define innovation programmes and experiment with projects on the three main identified themes: smart infrastructure, new mobility ideas and robotics.

It promotes a culture of innovation within the company and, externally, the image of Aéroports de Paris as an innovative company within the context of an open innovation approach.

The implementation of quarterly 'innovation session' meetings under the auspices of the Chief Operating Officer makes it possible to have a 'dynamic innovation cycle'. The latter enables the reviewing of ongoing projects at each stage (source, testing, review, deployment), with a view to arbitrating the actions to be taken. This cycle relies on contacts from various divisions.

## 6.4 The internal control mechanism and initiatives and management of risks relating to the development and handling of financial and accounting reports

The internal control and risk management initiatives relating to the development and handling of financial and accounting reports encompass the monitoring processes overseeing the accounting and financial organisation as well as the inputting of accounting data. These fall within the Finance, Management & Strategy Division and the Corporate Accounts Division, which are part of the finances, strategy and administration unit.

### Monitoring processes of the accounts and financial organisation

#### Organisation

The Finance, Management & Strategy Division is responsible for the group's strategic and financial direction. It guarantees that the Economic Regulation Agreement (ERA) is fulfilled and is consistent with the strategic plan, directs the main levers for economic regulation, supplies financial expertise and forecasts, and is in charge of financial communication. It supplies senior management and various departments with financial reports and analysis allowing them to monitor their performance. It contributes to defining and tracking financial objectives and to determining any necessary corrective action to be taken to ensure the group's economic sustainability. It is supported by a branch of management control (finance, management and strategy branches) over which it has responsibility.

The Finance, Management & Strategy Division is responsible for aligning the financial objectives of the subsidiaries and consolidated shareholdings with those of the group. It also oversees and controls, operationally and financially, the subsidiaries and consolidated shareholdings.

The Corporate Accounts Division makes accounting and financial reports available to different bodies within the company, allowing them to monitor how their performances correspond to the company's overall strategy. It is responsible for the production of financial statements and consolidated financial statements in accordance with current French and international accounting legislation as well as the establishment of reliable accounting procedures. It includes the financial unit, whose responsibilities include ensuring that the fiscal policy is correctly applied at group level. It manages fiscal integration and local taxes, as well as all other taxes.

### Accounting standards and procedures

The book of accounting procedures brings together a presentation of the accounting function, the most important accounting principles as well as all accounting reports and procedures relevant to the company. The latter are regularly submitted for review and in case of structural changes are enacted. Risk factors and established management initiatives are always integrated.

### IT systems

These mechanisms and initiatives are based on an IT system centred on SAP software packages for general accounting and analysis, SAP BFC for consolidation and reporting, and OBIEE for writing performance indicators.

The IT Financial Management unit of the Information Systems Division has guaranteed assistance to the project management and to the prime contractor for IT projects requiring functional expertise, administration or support for accounting and financial IT systems, for all departments in the financial, strategy and administrative unit.

### Monitoring tools

Each month, the Finance, Management & Strategy Division produces an operating report for the Executive Committee (ExCom), based mainly on the analysis reports drawn up by the entities. It brings together the group's consolidated monthly accounts, sectorial information relevant to accounting reports established in accordance with IFRS standard 8, as well as Information on the regulation scopes.

The Finance, Management & Strategy Division also manages the strategic analysis process and the strategic objective operational planning process and has ensured its monitoring.

A new integrated strategic direction, based on emphasising the strategy as a framework and guide for the financial year as well as on the alignment between the group's reporting, budget and objectives has been implemented in 2016.

The Finance, Management & Strategy Division monitors the analytical management framework; its transcription into the SAP/CO management plans is carried out by the Finance Management Information Systems unit of the Information Systems Division. The latter creates analysis documents as required and along the lines (regulated accounts) and segments of analysis defined by the company and the Finance, Management & Strategy Division and sends them to the Executive Committee and to the departments concerned. These reports are subject to a biannual analytic review, and the results of the review are sent to the auditors and the other Divisions concerned.

### Processes contributing to the development of accounting and financial reporting

#### Operational processes for inputting accounts

All processes paying into the accounts are the subject of specific procedures, follow-ups, rules of validation, authorisation and accounting defined and stated by the Corporate Accounts Division (particularly for sales, purchasing, management of assets and cash flow, etc.).

#### Account closures, consolidation and management reports

The closure process of corporate accounts and consolidated financial accounts is based on a detailed calendar, which has been shared with all consolidated companies so as to ensure that deadlines are met and that the preparation of financial statements is coordinated, with the expected level of quality.

To support the accounts department, the finance, management and strategy branch contributes to the account closure process as part of a data consistency check.

The consolidation of the group's accounts is carried out twice a year. The Statutory Auditors carry out a limited review of the half-yearly accounts and an audit of the annual accounts. The statements for the months of May and November are reviewed within the framework of these missions.

In addition, managers in operational units, in some functional units and in consolidated companies sign an engagement letter to confirm the correctness of the accounting information they communicate relating to their area of responsibility.

### Financial communication

As an issuer of regulated information, the finances, management and strategy Division exerts control over the development and publication of all communications of a financial nature. Alongside the Legal Affairs and Insurance Division, the division is responsible for authorising any type of memo or press release containing "sensitive information", that is, any information of a financial or legal nature, or with financial or legal implications, and/or information likely to influence Aéroports de Paris SA share price.

Two procedures, one concerning communication and the other concerning financial communication of Groupe ADP, have been designed to guarantee the accuracy of information, particularly that of a financial nature, and to ensure that the group meets all its associated requirements.

An annual calendar of the group's main periodical commitments in terms of accounting, financial and share-holder memos, was created by the Legal Affairs and Insurance Division and shared internally. In addition, an annual schedule of periodic regulated financial publications is established by the finance, management and strategy division, and published to the AMF and on Groupe ADP's website.

If Groupe ADP now disseminates its regulated information via a system approved by the AMF, and if the main financial communication channel is its website ([www.parisaeroport.fr](http://www.parisaeroport.fr)), Groupe ADP uses one or more social media channels in addition (such as Twitter or Facebook), in accordance with the AMF recommendation published in the guide on permanent information guide and management of protected information<sup>1</sup>. Groupe ADP's communication procedure was updated to incorporate these new practices, and a charter for use was sent to the executive officers.

## 7 Periodic monitoring of the system

The surveillance of the internal control and risk management mechanisms, allowing for continuous improvement, is ensured by the Corporate Audit Division and by external structures such as auditors and other relevant bodies, particularly State services.

### 7.1 Corporate Audit and Internal Control Division

The Corporate Audit Division has the task of providing, in complete independence, the company and the group with reasonable assurance on the degree of control over its operations, their compliance with the laws and the internal procedures set in place, observation of strategic guidelines and instructions of the general management, and the reliability of financial information. During these audits, it ensures that the important risks (operational, financial or compliance) are taken into account in an appropriate way and that all conditions are brought together to secure, give increased reliability to and develop the business activity of the group. In this regard, it maintains close relations with the Airport Security, Risk Management and Compliance Division.

Within the company's hierarchy, the Corporate Audit Division is attached to the Chairman & CEO, and reports to the audit and risks committee. The Audit Director affirmed at the meeting of the audit and risks committee on 7 December 2016, that she had performed her audit work entirely independently. Moreover, the department works alongside the auditors and the two meet regularly. The division undertakes interventions in all areas of activity within the company and its subsidiaries. It institutes the annual audit programme as authorised by the Executive Committee and examined by the audit and risks committee. As a member of IFACI (the French Institute for Audit and Internal Control), it operates in accordance with international professional guidelines.

The assignments, powers and responsibilities of the internal audit are laid out in the group's internal audit charter, to which the auditor's Code of Conduct is attached.

IFACI certification, obtained by the Audit Division in 2008, was renewed in 2014; the monitoring audit carried out in November 2016 confirmed the certification.

The Corporate Audit Division informs the Executive Committee and the audit and risks committee of the monitoring risks of the internal audit action plans. It also informs the same bodies of the result of conclusions made by the audits carried out within Aéroports de Paris by external monitoring and surveillance bodies (audits carried out by Statutory Auditors, audits regarding Information Security and airport security and safety, with the exception of management system audits).

Forming part of a quality procedure, the Corporate Audit Division sends an evaluation questionnaire to the persons responsible for the audited bodies with regard to the audit missions, so as to gather points on which it could improve its activity.

### 7.2 External control structures

In the first instance, this relates to the statutory auditors appointed by the General Meeting on 17 May 2015: Ernst & Young Audit and Deloitte & Associates.

Moreover, Aéroports de Paris is subject to specific controls due to its being a majority State-owned company. The Court of Auditors, the Economic Affairs Committee of the National Assembly and the Senate, the State Economic and Financial verification mission, and the Council on the Environment and sustainable development, in particular, are therefore responsible for overseeing the finance, management and internal control sectors.

The company is also subject to controls of an operational nature, which are carried out by the French Civil Aviation Authority and by the European Commission in the context of compliance with regulations.

Moreover, to obtain or maintain certification of their management systems, various divisions of Aéroports de Paris, as well as some subsidiaries of Groupe ADP, undergo annual external appraisal audits, conducted by independent accredited organisations. These audits may lead to request for improvement, thus helping to improve risk control and internal control systems.

It is also subject to assessments by credit rating agencies, mentioned in the 2016 Management Report - Chapter 3 - Risks and Risk Management.



<sup>1</sup> Position recommended by Guide on permanent information and management of protected information DOC-2016-08.



# **STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF FRENCH COMMERCIAL CODE (*CODE DE COMMERCE*) ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF AÉROPORTS DE PARIS**

Year ended 31 December 2016

*This is a free translation into English of the Statutory Auditors' report issued in French prepared in accordance with article L. 225-235 of French Commercial Code on the report prepared by the Chairman of the Board of Directors on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

In our capacity as Statutory Auditors of AÉROPORTS DE PARIS and in accordance with article L. 225-235 of French Commercial Code (*Code de Commerce*), we hereby report on the report prepared by the Chairman of your company in accordance with article L. 225-37 of French Commercial Code (*Code de Commerce*) for the year ended 31 December 2016.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by article L. 225-37 of French Commercial Code (*Code de Commerce*), particularly in terms of corporate governance.

It is our responsibility:

- ◆ to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- ◆ to attest that this report contains the other disclosures required by article L. 225-37 of French Commercial Code (*Code de commerce*), it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

## Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- ◆ obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;
- ◆ obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- ◆ determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board in accordance with article L. 225-37 of French Commercial Code (*Code de Commerce*).

## Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L. 225-37 of French Commercial Code (*Code de commerce*).

Signed in Neuilly-Sur-Seine and Paris-La Défense, 8 March 2017

The Statutory Auditors

DELOITTE & ASSOCIÉS

ERNST & YOUNG Audit

Thierry Benoît

Olivier Broissand

Jacques Pierres

Alban de Claverie



A4

# ANNUAL FINANCIAL REPORT

This Registration Document includes the Annual Financial Report mentioned, as drawn up pursuant to article L. 451-1-2 of the French Monetary and Financial Code and article 222-3 of the AMF General Regulations.

The documents listed in article 222-3 of the above-mentioned regulation and the corresponding headings of this Registration Document are listed below.

**Annual financial statements of Aéroports de Paris:** see Chapter 20 of this Registration Document.

**Consolidated financial statements of Aéroports de Paris Group:** see Chapter 20 of this Registration Document.

**Management report:**

- ◆ analysis of the financial position and income: see Chapters 9 and 10 of this Registration Document;
- ◆ information on the Company's use of financial instruments: see notes 9.1, 9.4 and 9.5 of the consolidated financial statements and note 4.15 of the separate financial statements;
- ◆ description of main risks and uncertainties: see Chapter 4 of this Registration Document;
- ◆ factors likely to have a significant effect in the case of a public offer: see sections of Chapters 14 "Board of Directors", 15 "Corporate officer compensation", 16 "Functioning of the Board of Directors and management bodies", 18 "Share-ownership structure of Company" and "Change of control of the Company", 21 "Information on the share capital" and "Provisions of the Articles of Association" of this Registration Document.

**Statement of officers in charge of the Annual Financial Report:** see Chapter 1 of this Registration Document.

**Statutory auditor's report on the financial statements:** see Chapter 20 of this Registration Document.

**Statutory auditors' report on the consolidated financial statements:** see Chapter 20 of this Registration Document.





3950\*  
**groupeadp.fr**

1 rue de France  
93290 Tremblay-en-France - France

Aéroports de Paris. Public limited company with capital of €296,881,806 - Bobigny Corporate and Trade Register SIREN 552 016 628 - Intracommunity VAT number FR 33 552 016 628  
(\*) €0.34 incl. tax/min. from a land line in mainland France. Possible surcharge from local operator not included.  
Groupe ADP Integrated Printing Office - +33 1 49 75 62 71 - Legal deposit - March 2017 - N° 05/80 - **IMPRIM'VERT**  
Photo : © Groupe ADP/Alain Leduc - **ISSN 2498-3500**