



REGISTRATION DOCUMENT
AND ANNUAL FINANCIAL REPORT

2017

KEY FIGURES FOR 2017



NUMBER OF PASSENGERS IN
PARISIAN AIRPORTS

101.5 MPAX



NUMBER OF GROUP
PASSENGERS

228.2 MPAX



NUMBER OF AIRPORTS
MANAGED WORLDWIDE

26



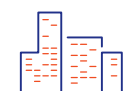
SALES/PAX

€18.2



RETAIL SPACE

58,150 sq.m



REAL ESTATE AREA
DEVELOPED IN 2017

145,100 sq.m



REVENUE

€3,617 M



EBITDA

€1,567 M



NET INCOME ATTRIBUTABLE
TO THE GROUP

€571 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

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, 93 290 Tremblay-en-France, as well as on the Aéroports de Paris website (www.groupeadp.fr) and on the AMF (French Financial Markets Authority) website (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 2016 and the report 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 2017 under number D. 17-0288 (the "2016 Registration Document");
- ◆ the annual and consolidated financial statements of Aéroports de Paris for the financial year ended 31 December 2015 and the report 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");
- ◆ examination of the financial position and income of Aéroports de Paris for the financial years ended 31 December 2015 and 2016, presented in Chapter 9 of the 2015 and 2016 Registration Documents;
- ◆ the Statutory Auditors' report on related party agreements and commitments for the financial years ended 31 December 2015 and 2016, presented in Appendix 1 of the 2015 and 2016 Registration Documents.



This Registration Document was filed with the AMF on 6 April 2018, 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.

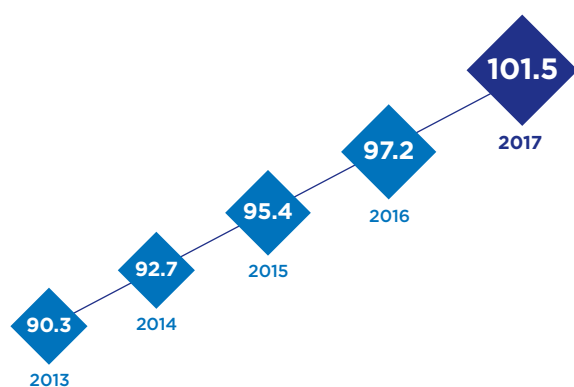
PROFILE OF GROUPE ADP

26 AIRPORTS MANAGED AROUND THE WORLD

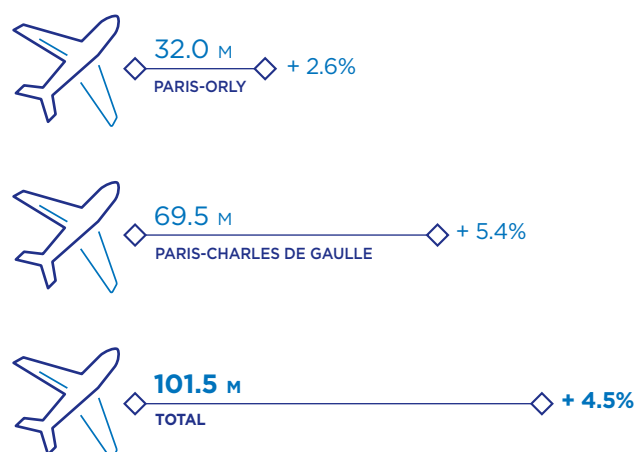


* It should be noted that TAV Airports gained concessions of 3 airports in Saudi Arabia (Yanbu, Qasim and Hajj) on 8 June 2017.

NUMBER OF PASSENGERS USING PARIS AIRPORTS (in millions)



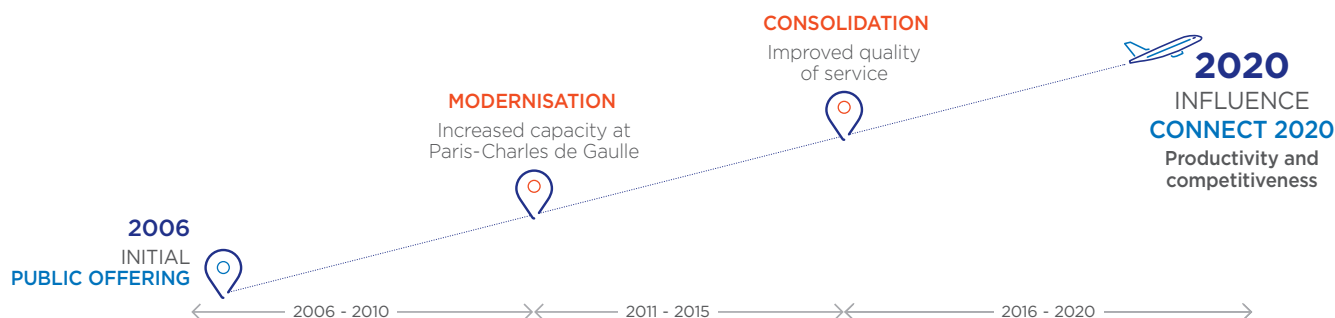
PASSENGERS PER PARISIAN AIRPORTS IN 2017 (in millions)





STRATEGY OF GROUPE ADP

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

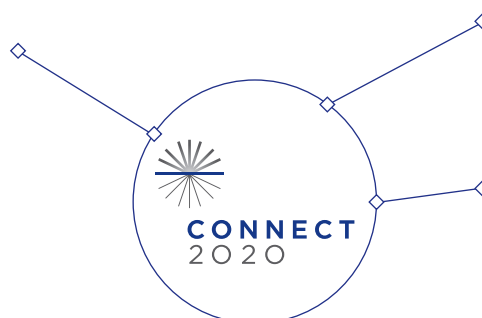


CONNECT 2020 A 2016-2020 STRATEGIC PLAN TO SERVE OUR AMBITION

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 SA – Groupe ADP, stated:

« 2017 was a year of transformation for Groupe ADP, in Paris as well as abroad.

Traffic in Paris Aéroport reached 101.5 million passengers, crossing the symbolic threshold of 100 million passengers, driven by the growth in long haul traffic. In 2017, in Paris, occurred the materialisation of structuring projects for Groupe ADP's development with in particular the validation of major steps for CDG Express project and the signing of the agreement with FedEx. Besides, 2017 saw the rolling out of Groupe ADP's international strategy with the reinforcement in TAV Airports' capital leading to the full consolidation of TAV Airports in the group consolidated accounts for the 2nd half of 2017 and the signing of the agreement relative to the reinforcement of Groupe ADP's stake in Amman airport (Jordan), operation that will be completed very soon. These projects are opportunities for growth and value creation for the years to come.

In 2017, revenue increased by €670 million, to €3,617 million and EBITDA reached €1,567 million. Net result attributable to the Group is up by €136 million, at €571 million and allows to propose to the shareholder general meeting a dividend of €3.46 per share.

On the basis of a traffic growth assumption of between +2.5% and +3.5% for Paris Aéroport and of between +10% and +12% for TAV Airports in 2018, compared to 2017, growth in consolidated EBITDA is expected between +10% and +15%, excluding the effects of any change in scope that may occur in 2018. Excluding the full consolidation of TAV Airports, increase in Groupe ADP's EBITDA is expected between +2.5% and +3.5% in 2018. As a reminder, TAV Airports expects an increase of its EBITDA between 5% and 7% in 2018 compared to 2017.

Groupe ADP will keep a payout of 60% of the net result attributable to the Group. »

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PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT **AFR**

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.

The “Groupe ADP” brand speaks on behalf of all the activities in France and internationally. It carries the relations with the public authorities, shareholders and financial markets, as well as partners. Internally, it is the common foundation for belonging for all employees that it brings together around a corporate project.

The “Paris Aéroport” trademark covers the following specific areas: the sites and applications dedicated to travellers, the content, the free and paying services, the promotion of the Parisian hub, marketing communications, general public events within and outside of the sites.

1.1 PERSON RESPONSIBLE FOR THE 2017 REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT

Augustin de Romanet, Chairman and CEO of Aéroports de Paris SA.

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.

The Chairman and Chief Executive Officer
Augustin de Romanet



STATUTORY AUDITORS

2.1 STANDING STATUTORY AUDITORS FOR THE 2017 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 by the General Shareholder's Meeting of 18 May 2015 ⁽¹⁾

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 2017 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.

¹ Prior to that, Ernst & Young et Autres and Ernst & Young Audit, members of the EY international network, were Statutory Auditors from 2009 to 2014 and from 2003 to 2008 respectively.



03 SELECTED FINANCIAL INFORMATION

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The consolidated financial statements of Groupe ADP for the financial years ended 31 December 2017, 31 December 2016 and 31 December 2015 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 TAV AIRPORTS CONTRIBUTION IN GROUPE ADP'S FINANCIAL STATEMENTS OVER THE 2ND HALF OF 2017

Following the full consolidation of TAV Airports during from 7th July 2017, contribution of TAV Airports in Groupe ADP's consolidated accounts breaks down as follows:

<i>(in millions of euros)</i>	2017
Revenue	616
EBITDA	280
Amortisation & Depreciation	(143)
Share in associates and joint ventures from operating activities after adjustments related to acquisition of holdings	11
Operating income from ordinary activities (including operating activities of associates)	149
Operating income (including operating activities of associates)	149
Financial income	(60)
Income before tax	88
Income taxes	(19)
Net income	70
Net result attributable to the Group	29

The Groupe ADP *pro forma* income statement for the 2017 financial year is presented in Section 20.5.1.

3.2 2017 CONSOLIDATED ACCOUNTS

2017, 2016 and 2015 financial accounts are presented as follows. In order to facilitate the reading and understanding of the group's performance in 2016 compared to 2015, restated financial statements for 2015¹ have been prepared.

Summary consolidated income statement

<i>(in millions of euros)</i>	2017 ¹	2016	2015 restated
Revenue ²	3,617	2,947	2,935
EBITDA ³	1,567	1,195	1,191
Operating income from ordinary activities (including operating activities of associates) ⁴	1,030	664	791
Operating income (including operating activities of associates)	1,052	696	791
Net income attributable to the group	571	435	430

¹ Including the full consolidation of TAV Airports in the 2nd half of 2017.

² Income from ordinary activities

³ Operating income from ordinary activities (including operating activities of associates) plus depreciation and amortisation and impairment of non-current assets, net of reversal

⁴ 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

Summary consolidated balance sheet

<i>(in millions of euros)</i>	2017	2016	2015 restated
Non-current assets	11,139	8,106	7,977
Current assets	3,137	2,476	2,447
TOTAL ASSETS	14,276	10,592	10,448
Equity	4,577	4,284	4,125
Non-current liabilities	6,983	5,060	5,252
Current liabilities	1,859	1,241	1,064
TOTAL EQUITY AND LIABILITIES	14,276	10,592	10,448

Summary consolidated cash flows statement

<i>(in millions of euros)</i>	2017	2016	2015 restated
Cash flows from operating activities	1,270	875	987
Cash flows from investing activities	(888)	(624)	416
Cash flows from financing activities	(114)	(327)	(101)
Change in cash flow	254	(76)	470
Cash at opening	1,656	1,732	1,262
Cash at closing	1,910	1,656	1,732

¹ Including full consolidation of Media Aéroports de Paris, formerly accounted for as share of profit of associates from operating activities associates.

3.3 FINANCIAL DEBT

<i>(in millions of euros)</i>	2017	2016	2015 restated
Financial debt	5,911	4,484	4,483
Derivative financial instruments (liabilities)	54	20	19
Gross financial debt	5,965	4,504	4,502
Derivative financial instruments (assets)	(27)	91	(96)
Receivables and current accounts from associates	(90)	(58)	(55)
Cash and cash equivalents	(1,912)	(1,657)	(1,734)
Restricted bank account ¹	(189)	-	-
Debt related to the minority put option	50	11	11
Net financial debt	3,797	2,709	2,628
Net financial debt / EBITDA	2.42	2.27	2.21
Net financial debt / equity (gearing)	70%	63%	64%

¹ The current portion of bank loans includes the bank loans of TAV Tunisia. Having failed to comply with the financing agreements because of its current difficulties following the events in Tunisia in 2015, TAV Tunisia's bank loans are presented as current liabilities in the amount of €342 million as of 31 December 2017.



04

RISK MANAGEMENT AND CONTROL

4.1 INTRODUCTION

4.2 RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Global system

The internal control mechanism and management of risks relating to the development and handling of financial and accounting reports

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4.3 RISK FACTORS

Strategic risks

Risks related to the group's activities

Legal risks

Management organisation risks

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4.1 INTRODUCTION

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 related to airports. Its missions 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 ERA 2016-2020 was signed with the government authorities on 31 August 2015.

In support of and in line with the ERA 2016-2020, the strategic plan, "CONNECT 2020", establishes the goals of Groupe ADP for the same period. In order to achieve them, a strategic coordination process was implemented. It is structured around road maps that give the indicators established at group level and deployed by each division.

Groupe ADP conducts its business in a constantly changing environment that generates risks and opportunities. Risk taking can translate into the search for opportunities and the wish to develop the group.

The information provided in this chapter concerns the significant risks to which the group believes itself to be exposed to date (see "Risk factors").

These risks or other risks not identified to date, or considered to be insignificant by the group, could have an unfavourable effect on its activity, its financial situation and/or its income.

The risk management and internal control system aims to correctly identify the risks inherent to the group's activities.

4.2 RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Global system

A Global approach

The risk management, internal control and internal audit systems constitute a global approach in support of the group's management for its activities and objectives. The management systems, deployed within certain group's entities, are an integral part of risk control.

Governance and scope of the systems

The approach is coordinated by the Risk Management and Compliance Department, reporting to the group's Secretary General (for the risk management and internal control system) and by the Corporate Audit and Internal Control Division, reporting to the Chairman and CEO.

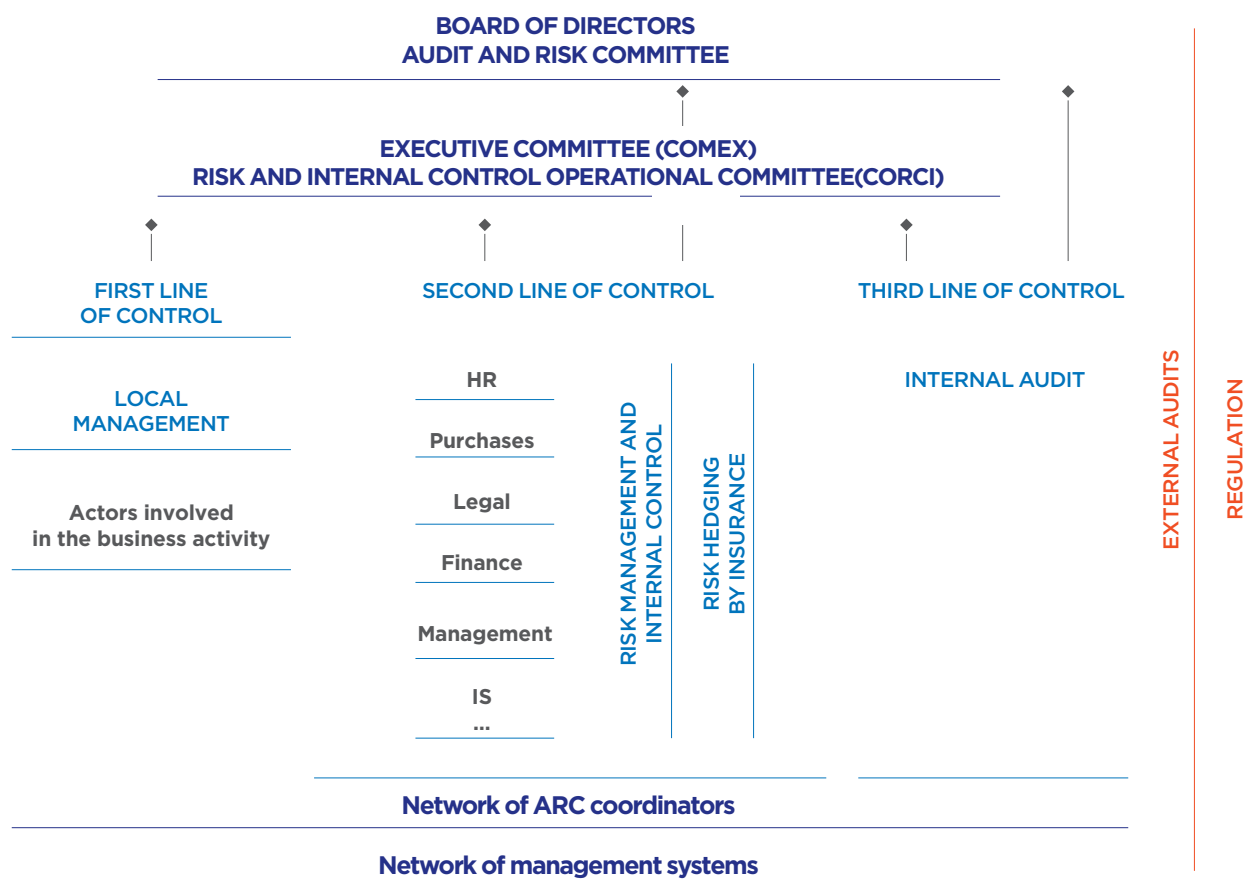
It is supported by:

- ◆ 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);
- ◆ the Audit and Risks Committee, which assists the Board of Directors in monitoring the effectiveness of the internal control and risk management systems (its mandate is specified in the rules of procedure of Aéroports de Paris' Board of Directors);

- ◆ the Executive Committee (Comex), chaired by the Chairman and CEO, which takes part in directing Groupe ADP, both operationally and strategically, and debates any subject relating to its smooth running;
- ◆ the Risk and Internal Control Operational Committee (CORCI) which brings together the directors of the entities;
- ◆ the network of "Audit-Risk management-Internal control" (ARC) coordinators appointed in each group entity¹;
- ◆ the "Management Systems" network.

It 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).

For 2017, the scope of the system covers the group, and in particular, its wholly-owned subsidiaries (ADP International and Hub One). It is planned to include TAV Airports within the system in 2018.



¹ In 2017, the entities correspond to the divisions of Aéroports de Paris, and specifically to its wholly-owned subsidiaries.

Description of the risk management and internal control system

Cornerstone of the system

- ◆ Two charters manage the global system within the group. These concern:
 - ◆ risk management and internal control: the charter indicates that the group applies the provisions of the AMF reference framework published in 2007 and updated in July 2010,
 - ◆ internal audit: the charter is based on international standards and the internal audit code of ethics distributed in France by the French Institute for Audit and Internal Control (IFACI) and which constitutes the international reference framework for internal audit.
- ◆ A risk management guideline describing the methodology is currently being updated and will complete the system;
- ◆ For Groupe ADP, ethics and compliance are true levers for developing trust with all stakeholders. Groupe ADP has, therefore, set them as governance principles. Carried by Executive Management and designed to guide working behaviour for all employees, they are described in the paragraph of Chapter 4 "Groupe ADP's ethics commitment".

Risk Management

This system aims to provide an overall, fair vision of the group's major risks and their level of control, in order to anticipate them.

A mapping is updated annually to provide the group's stakeholders with an overall, shared and discussed vision of the risks. It enables the group to identify the major risks and prioritise and deal with them and to monitor the actions identified within this framework. Risks are prioritised according to their critical level, given the existing control measures. Major risks and risks deemed unacceptable¹ are the subject of priority handling. After a review in the Risks and Internal Control Operational Committee (CORCI), the mapping is submitted to the Comex, then presented to the Audit and Risk Committee and the Board of Directors.

Business continuity and crisis management

Through this approach, Aéroports de Paris aims to better control extreme risks.

For this, it is supported by a group Policy on Business Continuity (PGCA). Its aim is to guarantee essential services for the Company's operations. For each of the critical processes identified, the PGCA indicates the objectives, principles, responsibilities and main procedures. It is reflected in a business continuity plan (PCA) for each of the platforms (Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget) and for each of the essential support activities for airport operations (IT systems and human resources). A pandemic plan completes the approach.

With regard to crisis management, Aéroports de Paris' system aims to ensure continuity of the group's aéroports control and the quality of its response to sudden, unexpected events. It must contribute to optimally keep the activities at satisfying levels of quality while remaining in compliance with the security and safety obligations. A booklet describing the group's management continuity and crisis management was formalised in 2017. Crisis exercises are also carried out several times per year to test the system's effectiveness.

Lastly, feedback on experience (REX) carried out after crisis situations contributes to continuously improving the system. The REX policy indicates the analysis methodology to be followed.

Internal control

The aim of this permanent system is to contribute to controlling the group's businesses, the effectiveness of its operations and the efficient use of its resources.

To further secure the group's activities and optimise transversality between entities and operating modes, an internal control deployment plan through cross-entity processes was decided in 2016.

In 2017, it led to the formalisation of a mapping of major group processes and the identification of internal control pilots. Work began to strengthen the internal control of five strategic processes.

Management systems

Certain divisions and subsidiaries write their interventions into their management systems initiatives that constitute, for all or part of their activity, their risk control mechanism. These management systems 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.

In 2017, the entities that already had management systems obtained ISO 9001 certification 2015 version, excluding Paris-Orly airport that obtained it in 2018. The certificates of entities certified ISO 14001 are currently being converted to comply with the 2015 version.

Aéroports de Paris' Purchasing Department and Engineering & Development Divisions were certified ISO 9001.

Periodic monitoring of the system

The internal control and risk management systems are monitored by:

- ◆ the monitoring of major incidents and incidents due to unacceptable risks;
- ◆ the Corporate Audit and Internal Control Division;
- ◆ external structures, such as the Statutory Auditors and other relevant organisations, notably Government services.

Major incidents

Major incidents or incidents due to unacceptable risks are collected by Aéroports de Paris' Divisions and wholly-owned subsidiaries. A review of these declared incidents is sent to the Chairman & Chief Executive Officer and Chief Operating Officer semi-annually.

Internal audit

The system aims to provide, in complete independence, the Company and the group with reasonable assurance over the degree of control over its operations, provide advice on improvements and contribute to creating added value.

Certified by IFACI since 2008, the Corporate Audit and Internal Control Division assesses the operation of the risk management and internal control systems. Through its recommendations, it contributes to improving safety and optimising the overall performance of the Company and its subsidiaries.

In 2017, an audit on Groupe ADP's risk management system was conducted. It confirmed that the process complies with AMF guidelines.

The annual audit programme is presented to the Comex and examined by the Audit and Risks Committee.

¹ The Group defines the risks that, whatever their level of criticality, are unacceptable. These are subject to specific monitoring and the different entities are required to be extremely vigilant with regard to them.

It informs the same bodies of the monitoring:

- ◆ of internal audit action plans;
- ◆ of the conclusions drawn from the audits carried out within Aéroports de Paris by external control and monitoring bodies (with the exception of management system audits).

External control structures

In the first instance, this relates to the Statutory Auditors appointed by the General Meeting of Shareholders of 18 May 2015: Ernst & Young Audit and Deloitte & Associés.

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.

The internal control mechanism and management of risks relating to the development and handling of financial and accounting reports

Comitology and players

Comitology

The systems are supported by:

- ◆ the Strategy and Investment Committee, which makes recommendations to the Board of Directors on the definition and implementation of Groupe ADP's strategic directions (its mandate is indicated in the rules of procedure of Aéroports de Paris' Board of Directors);
- ◆ two internal 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 investment approval committee (COE), organised around two specialised COEs:
 - ◆ the COE for the Aéroports de Paris scope, which systematically reviews the tangible and intangible investments in excess of €3 million, the firm financial investment commitments made by the Company and its main contractual receivables,
 - ◆ the COE for the scope of subsidiaries and equity investments, which reviews investment and disposal decisions carried out by all subsidies and equity investments.

Players

Within this context, the finance, management and strategy division coordinates and monitors all subsidiaries and affiliates of the 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. This organisation is accompanied by a reporting system as part of the guidance of both the group and the company.

The group's steering mechanism is currently being updated in order to adapt it to its new wider scope, since the control taken over TAV Airports by Aéroports de Paris, and to take ADP International's role into account.

Processes contributing to the development of accounting and financial reporting

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 and subsidiaries 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 and is responsible for a branch of management control (finance, management and strategy branches).

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 financially the subsidiaries and consolidated shareholdings.

The Corporate Accounts Division makes accounting and financial reports available to different decision-making 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.

Methodology and tools

- ◆ 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.).

- ◆ 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.

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.

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 monthly an engagement letter to confirm the correctness of the accounting information they communicate relating to their area of responsibility.

Financial information reporting and monitoring

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.

In 2017, from the date of closing in February, the *rolling forecast* was introduced on the profit and loss statements, 2 annual reforecasts being made for investments. This tool allows a monthly update of the exit point forecast at 31 December, according to the latest real data available. This makes the financial forecasts more reliable and optimises the Company's financial steering.

The Finance, Management & Strategy Division also manages the strategic analysis process and the strategic objective operational planning process and has ensured its monitoring.

The strategic steering process is based on emphasising the strategy as a framework tool and guide for the financial year as well as on the alignment between the group's reporting, budget and objectives.

The Finance, Management & Strategy Division monitors the analytical management framework; its transcription into the 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 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.

Financial communication

As an issuer of regulated information, the finance, 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.

A procedure concerning financial communication of Groupe ADP has been designed to guarantee the accuracy of information 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 available on Groupe ADP's website.

Groupe ADP disseminates its regulated information via a system approved by the AMF. Its main financial communication channel is its website (www.groupeadp.fr), along with several social media channels (Twitter, Facebook,...) in accordance with the AMF recommendation as published in the guide on permanent information and management of protected information¹. Executive Corporate Officers have received a charter on the use of the current financial communication procedure. The financial communication practices of TAV Airports are currently being harmonised with those of Groupe ADP.

Group's general insurance policy

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 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 billion 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 the group'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.

¹ Guide on permanent information and management of protected information DOC-2016-08.

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 (which became ADP

International from 29 June 2017), Hub One and Hub Safe (up to 29 September 2017 for the latter¹), for the purposes of covering their activities carried out in France or abroad, as the case may be.

4.3 RISK FACTORS

The main risks faced by Groupe ADP at the date of this report are summarised below. It should be specified that actions are implemented to manage them.

Of the main risks linked to the general environment in which the group operates, the most significant are:

RISK CATEGORY	RISK FACTORS
Strategic risks	<ul style="list-style-type: none"> Risks related to economic regulation Risks related to the competitive environment Risks related to the customer portfolio structure International risks Risks related to investments in developments and capabilities Risks related to ethics and compliance Risks related to the impact of climate change
Risks related to the group's activities	<ul style="list-style-type: none"> Risks linked to security Risks linked to airport safety Risks linked to the safety of people and goods Risks related to shop revenue Risks linked to asset maintenance
Legal risks	Risks related to regulatory changes
Management organisation risks	<ul style="list-style-type: none"> Human Resources risks Risks linked to information protection and IT systems
Financial risk	<ul style="list-style-type: none"> Credit risk Liquidity risk Market risk

Strategic risks

Risks related to economic regulation

RISK IDENTIFICATION

The missions of Aéroport de Paris 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 ERA 2016-2020 was signed with the government authorities on 31 August 2015.

The airport fee cap takes into account cost, revenue and investment projections, as well as quality of service targets. The regulation 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.

However no assurance can be given as to the level of fees that 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 cancelled early.

Moreover, litigation may be filed seeking to annul some pricing decisions. If successful or confirmed, this may have, at least temporarily, an adverse impact on the group's income. Please refer to the paragraph in Chapter 20 on "Legal and arbitration proceedings" of the 2017 Registration Document.

RISK MONITORING AND MANAGEMENT

In support of the ERA 2016-2020, the strategic plan "CONNECT 2020" establishes the goals of Groupe ADP for the period 2016-2020.

The Finance, Management and Strategy Division guarantees that the ERA is fulfilled and is consistent with the strategic plan. It carries out the group's strategic and financial control, structured around road maps.

Moreover, Aéroports de Paris annually consults airlines on the topics of service quality, investment programme and pricing proposals during economic consultative commissions.

The pricing proposal is then submitted to the Independent Supervisory Authority for Airport Fees (ASI) for approval.

¹ Date of the disposal of 80% of Aéroports de Paris' interest in Hub Safe. See press release of 29 September 2017, available on the website www.groupeadp.fr.

Risks related to the competitive environment

RISK IDENTIFICATION

Groupe ADP's Ile-de-France region platforms are in competition with:

- ◆ other major airports specialising in correspondence platforms (*hubs*) located in Europe and the Middle East;
- ◆ the major European airports with competitive tariff policies to attract intercontinental routes;
- ◆ airports serving the Ile-de-France region for low-cost airline traffic;
- ◆ high-speed trains for journeys of less than three hours from Paris.

Platform attractiveness is a major challenge for the group. Please refer to the paragraph in Chapter 6 on "Competition" of the 2017 Registration Document.

RISK MONITORING AND MANAGEMENT

Changes in the air traffic market are regularly analysed by the strategic analysis unit of the Finance, Management 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 business development unit within the Customer Division. In addition, the implementation of incentive measures aims to attract companies and develop passenger and cargo traffic.

Groupe ADP has also reinforced its partnership with Atout France, the Paris City Hall and the Ile-de-France region in order to promote the attractiveness of Paris and France.



Risks related to the customer portfolio structure

RISK IDENTIFICATION

The AF-KLM¹ group, member of the SkyTeam Alliance, is the leading customer of Groupe ADP's platforms in the Ile-de-France region. In 2017, it represented around 21.0% of Aéroports de Paris' revenue and 51% of passenger traffic at Paris-Charles de Gaulle and Paris-Orly airports.

A change in AF-KLM group's strategy, particularly in the organisation of its connection network with the closure or transfer of some of its activities (passengers, cargo, maintenance), a significant change in its passenger typology, financial difficulties, a worker strike or a deterioration in the quality of its services could have a material impact on Aéroports de Paris' results.

RISK MONITORING AND MANAGEMENT

A policy of active development of connections to and from Paris (see "Risks related to the competitive environment") as well as a commitment to improve the quality of services to match that of the best European airports aim to attract new airlines and thus diversify its customer portfolio and reduce Groupe ADP's dependence on the AF-KLM group.

¹ Air France-KLM, Hop!, Transavia.

International risks

RISK IDENTIFICATION

Groupe ADP conducts a significant portion of its activities abroad through its subsidiaries and equity interests.

These activities expose the group to the inherent risks of international operations, linked to:

- ◆ the geopolitical and economic context of the main geographical regions in which the group operates;
- ◆ legal, tax and compliance risks;
- ◆ exchange risks;
- ◆ operational risks associated with asset management; in Turkey, the area of concern is the end of the concession of Istanbul-Ataturk airport in January 2021;
- ◆ exposure to exceptional natural phenomena.

RISK MONITORING AND MANAGEMENT

Groupe ADP brought the management of its international activities under a single entity, ADP International¹, in July 2017. This wholly-owned subsidiary of Aéroports de Paris is responsible for the entire international scope of Groupe ADP, including TAV Airports and for monitoring the interest in Schiphol Group.

The group's three main activities internationally are now under the same management: investments, airport operations and engineering-innovation.

ADP International now benefits from support from a strong local network, thanks to the three regional offices: in New York for the Americas zone, in Hong Kong for the Asia zone and in Istanbul for the Middle East zone.

This change was accompanied in 2017 by:

- ◆ a reinforcement of the dedicated international teams in the operations, finance and risk & compliance sectors;
- ◆ the implementation of momentum to reinforce project steering;
- ◆ the initiation of actions to ensure the correct integration of TAV Airports into Groupe ADP's governance and processes; these actions will continue in 2018.

This new organisation aims to provide an essential growth relay, in order to achieve the value creation objectives defined in Groupe ADP's strategic plan, CONNECT 2020.

Risks related to investments in developments and capabilities

RISK IDENTIFICATION

Groupe ADP's Ile-de-France region platform development and infrastructure projects are complex with long investment cycles (from the study phase up to commissioning).

Significant technological or structural changes (in terms of traffic...) could lead to:

- ◆ the saturation of existing infrastructure before the new installations are delivered;
- ◆ mismatch between the delivered infrastructure and requirements.

The return on investment could be lower than forecast, and have an adverse impact on income.

Moreover, the group is pursuing a programme of significant investment as part of its strategic plan, "CONNECT 2020".

Given the size, complexity and number of investment projects and external constraints (conditions for obtaining administrative authorisations, stakeholders...), the control of project steering is a major challenge.

RISK MONITORING AND MANAGEMENT

Amongst the priorities of the strategic plan, "CONNECT 2020", for the period 2016-2020 are notably:

- ◆ the optimisation of infrastructures by deploying a "one roof" initiative (merging terminals);
- ◆ support for Société du Grand Paris and the CDG Express projects, to facilitate access to Ile-de-France region platforms.

The group has an investment project steering system based around a Strategy and Investment Committee and an Investment Approval Committee chaired by the Chairman & CEO.

In addition, the Engineering & Development Division plans, designs, organises and conducts investments in infrastructure (roads and runways), buildings (terminals, hangars, shops and administrative premises, real estate projects) and all types of equipment for the Company, for the purpose of meeting the medium to long term aeronautical and strategic needs.

¹ See press release of 7 July, available on the website www.groupeadp.fr.

Risks related to ethics and compliance

RISK IDENTIFICATION

In view of the expectations in ethics and compliance (change in legislation, with the Sapin II and Potier laws, existing standards...), there is a double challenge for Groupe ADP:

- ◆ deploy an Ethics and Compliance culture at all levels;
- ◆ reinforce the ethics and compliance programme in order to meet standards, and particularly international standards.

RISK MONITORING AND MANAGEMENT

In order to reinforce the Ethics and Compliance Culture within the group, we aim to deploy an awareness raising and communication plan.

With regard to the global compliance programme:

- ◆ for France: the new code of ethics was presented to staff representative bodies. Added to the appendix of the Rules of Procedure, it was distributed to all Aéroports de Paris employees;
- ◆ in 2018, we plan to formalise a vigilance plan and update the following systems: the training programme on preventing corruption and the alert system;
- ◆ with regard to international activities: Groupe ADP will implement a compliance programme including TAV Airports in 2018. This programme will give rise to an international code of conduct during the first quarter of 2018 including both the main principles of Groupe ADP and international specificities.

Please refer to the paragraph "Reinforcing the prevention of corruption" in chapter 4.

04

Risks related to the impact of climate change

RISK IDENTIFICATION

The occurrence of events linked to extreme natural phenomena or exceptional weather conditions may have a major impact on the group's activity.

These events could disrupt the functioning of airport infrastructures in a direct way by reducing the operating capacity of facilities or leading to temporary closure. They may also have an impact on the functioning of airlines, essential service providers and the strategic networks essential to the group's activities (electricity, water, roads, fuel, etc.).

RISK MONITORING AND MANAGEMENT

In 2016, Aéroports de Paris analysed and evaluated the "natural environment" risk, including the effects of climate change on the group's activities. We plan to update this risk mapping in 2018. Measures to adapt to the risk are addressed in the paragraph "Adapting to climate change" in chapter 4.

In order to help the fight against climate change, the Company implements a low-carbon strategy described in the paragraphs "Sustainable use of resources" and "Fight against climate change" in Chapter 4.

Risks related to the group's activities

Risks linked to security

RISK IDENTIFICATION

In a context of increased terrorist threats, the group is exposed to malevolent acts perpetrated on its installations. Depending on their seriousness, the occurrence of malevolent acts could impact:

- ◆ the integrity of persons (customers, employees, partners) and physical or virtual goods;
- ◆ the level of air traffic and, consequently, revenue from airport retail, services and car parks;
- ◆ security obligations: new French or European rules that could result in increased operational requirements or the enforcement of additional obligations.

The national vigilance, prevention and protection plan against the terrorist threat (Vigipirate) is maintained at the "increased security-attack alert" level.

RISK MONITORING AND MANAGEMENT

To prevent the occurrence of malevolent acts:

- ◆ the Public Safety and Security department of the Airport Operations Executive Management monitors security obligations. It proposes the security policy and implementation conditions, and coordinates its deployment;
- ◆ a plan to bolster security for the landside areas of its terminals has been shared and implemented with the competent Government departments since 2016;
- ◆ Aéroport de Paris' Operator Security Plan (PSO) has been updated in respect of its obligations as an Essential Services Operator (O/V) and should give rise to updated Protection Plans for each of the Company's vital installations;
- ◆ Public Security Studies (ESP) were conducted, in accordance with the Urbanism Code, as part of certain building or renovation projects;
- ◆ lastly, confronted with the phenomenon of radicalisation in airports, awareness raising sessions on understanding, detecting and preventing radicalisation have been carried out for those personnel concerned since September 2016.

The Company also has a crisis management system steered by the Risk Management & Compliance Division. As part of this framework, crisis exercises are carried out annually to improve the system's effectiveness.

In 2017, large scale "attacks in public areas" crisis exercises were organised at Paris-Charles de Gaulle and Paris-Orly airports.

Risks linked to airport safety

RISK IDENTIFICATION

The European Union and the French Government define the legal framework for airport safety.

As an airport operator, Groupe ADP is required, notably to:

- ◆ hold a European Airport Safety certificate for each of its platforms (see Community regulation no.139/2014 of 12 February 2014);
- ◆ carry out the maintenance, development, surveillance and snow-removal in aeronautical areas;
- ◆ implement a security management system;
- ◆ provide an animal hazard prevention service;
- ◆ provide an aircraft rescue and fire-fighting service (ARFF).

Violation of these rules is likely to jeopardise the safety of air transport, prevent the operation of Ile-de-France region airports and engage the liability of Aéroports de Paris.

This legal framework could also be strengthened, placing additional obligations on Aéroports de Paris.

RISK MONITORING AND MANAGEMENT

Each airport in the region Ile-de-France has an airport safety certificate covering the organisation, operational procedures and infrastructures.

The DGAC (French Civil Aviation Authority) controls and oversees all activities in this area and issues the airport security certificate.

In 2017, the national certificates held by each of the airports were converted to the European standards. Thus, Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports now hold a European Airport Safety Certificate in accordance with the requirements of ruling 139/2014.

In application of the commitments made as part of the European certification, a Compliance Monitoring Manager was appointed within the new Airport Operations Executive Management. He ensures:

- ◆ compliance of airports in the region Ile-de-France with airport safety legislation (adoption of regulatory changes, analysis and verification of compliance);
- ◆ that Groupe ADP's positions on this subject are carried to the DGAC.

Risks linked to the safety of people and goods

RISK IDENTIFICATION

The protection of people (customers, employees, partners) and installations is a priority for Groupe ADP.

Notably as a company receiving the general public, Aéroports de Paris is required to implement a certain 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.

RISK MONITORING AND MANAGEMENT

Regarding the protection of persons and facilities, the prevention policies are proposed by the Airport Security, Risk Management and Compliance Division and the Airport Operations Executive Management to the airport divisions. This concerns, in particular, measures relating to fire protection in Establishments Open to the Public and health protection.

In terms of occupational health and safety conditions, the directions in the mobilisation plan defined in 2015 are reaffirmed: the risks relating to attacks and anti-social behaviour, the risks involved in transfers and psycho-social risks. In addition, a new strategy was defined in 2017, in order to move from the idea of workplace safety to a prevention culture shared at all levels. Numerous actions were implemented to reinforce prevention management: an action plan to reduce travel risks, a guideline for managerial practices on occupational health and safety; a training module and guide for managers on how to take human factors into account in transformation projects.

Bimonthly updates in the Executive Committee include data from subsidiaries and subcontractors on the main work projects.

A specific action plan has been implemented for these projects.

With regard to employees internationally, the Risk Management & Compliance Division supervises the protection system for group expatriates on long- and short-term assignments. This system is described in the travel policy which was updated in 2017. Training about awareness of safety abroad is given regularly.

04

Risks related to retail revenue

RISK IDENTIFICATION

Retail activities are sensitive to traffic, the economic, competitive and regulatory environments (health policies tend to limit the consumption of tobacco and alcohol, etc.), to customer consumption modes, and to passenger experience in the Parisian platforms (offers of goods and services, waiting times).

The decrease in revenue from retail activities could have an adverse impact on group revenue.

RISK MONITORING AND MANAGEMENT

With a view to optimising passenger experience in the airport and securing revenue targets for the Company, the Customer Division is tasked with ensuring the development of commercial activities.

To achieve this, the Customer Division has deployed 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.

The development of the retail activity is based on an economic model either of joint ventures, owned by Aéroports de Paris and by a specialist in the business, or of direct management by the brands. See Chapter 6 "Business overview".

Risks linked to asset maintenance

RISK IDENTIFICATION

Aéroports de Paris must ensure that the facilities available to its customers are in good working order. Given the complexity and density of its physical infrastructure in its Ile-de-France platforms (with a strong increase in reception capacities over the last ten years), the Company is exposed to the risk of obsolescence and loss of value of its infrastructure. Infrastructure maintenance presents challenges in terms of security, image, customer satisfaction (airlines, passengers) and operational effectiveness.

RISK MONITORING AND MANAGEMENT

Infrastructure maintenance is one of the priorities of the strategic plan, "CONNECT 2020" (€1 billion in investments allocated to the Ile-de-France platforms).

A technical division within the new Airport Operations Executive Management was dedicated to steering the technical policy (notably in terms of maintenance and obsolescence) and infrastructure information in July 2017.

To this can be added the completion of modernisation and renovation work such as runway four in Paris-Orly during summer 2017.

Legal risks

Risks related to regulatory changes

RISK IDENTIFICATION

Groupe ADP is subject to all national and international laws, and regulations that change constantly in a wide range of areas (safety, security, environment, ethics...) and which differ depending on the countries in which the group operates.

These changes may have an impact on the group's activities, liability and image, and generate compliance costs.

The regulatory changes concern notably the risks linked to:

- ◆ economic regulation;
- ◆ ethics and compliance;
- ◆ security;
- ◆ airport safety;
- ◆ the safety of people and goods;
- ◆ information protection and IT systems.

RISK MONITORING AND MANAGEMENT

The Public Affairs Division, reporting to the group's Executive Management, carries out regulatory monitoring on its behalf.

Responsible for institutional relations, the Public Affairs Division has structured the group's interactions with the national and European parliaments, the supervisory ministries and administrations in respect of the obligations for transparency linked to the "Sapin II" and "Duty of vigilance" laws.

Groupe ADP also has a responsible lobbying charter since December 2016.

Management organisation risks

Human Resources risks

RISK IDENTIFICATION

Achieving the group's ambition requires, specifically, the commitment and mobilisation of the men and women who work for it, 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.

RISK MONITORING AND MANAGEMENT

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, whilst complying with the Company's CSR commitments.

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 managers are responsible for an overall budget including recruitments, temporary workers and training.

The management of talents and career paths contributes to developing the Company's attractiveness. Career paths, under development, provide visibility to employees and meet the strategic needs of the Company and organisations, including the group and international dimensions.

Mobility supports the redeployment of the organisations, and is subject to detailed analysis of the characteristics of the needs for Aéroports de Paris, the group and international organisation.

Risks linked to data protection and IT systems

RISK IDENTIFICATION

Data protection and IT systems are a major challenge for Groupe ADP.

The risk of data leaks through negligence, malevolent acts or intrusion into IT systems may have a very significant impact on the Company's image, reputation, robustness and performance if they were to occur.

Large-scale global cyberattacks are increasingly frequent, as shown by Wannacry and Petya in 2017.

The growing digitalisation of the group's activities and the change in its working practices (telework) expose it to increased risks.

In addition, the new regulatory obligations (with the entry into force in May 2018 of the new European regulation on personal data protection (RGPD) have led Groupe ADP to reinforce its vigilance and to deploy new actions in 2017.

RISK MONITORING AND MANAGEMENT

In view of the challenges, the group's data protection and IT system protection systems are based on:

- ◆ group information protection and IT system security policies, which both contribute to compliance with Groupe ADP's code of good conduct for data security, in the appendix to the rules of procedure of Aéroports de Paris;
- ◆ dedicated organisations and governance with specifically:
 - ◆ a Strategic Committee for the Security of IT Systems which defines the IT system security strategy,
 - ◆ a Group Head of IT System Security (RSSI), responsible for the IT System Security Department,
 - ◆ an Information Protection Manager and a Civil Liberties Correspondent (CIL) appointed in 2013 with the French National Commission for IT and Civil Liberties (*Commission Nationale de l'Informatique et des Libertés* - CNIL).

The current context has led Groupe ADP to commit to a certain number of additional actions in 2017, including:

- ◆ a major awareness raising plan for group staff, called Vigie Info, launched at the end of the year;
- ◆ a compliance plan for the group to the RGPD currently being deployed;
- ◆ a robustness diagnosis of its critical IT systems to meet regulatory obligations.

04

Financial risk

The main risks relating to Groupe ADP's financial ⁵ 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 Groupe ADP's operating activities.

The group has other financial assets such as customer debts and cash, derivative instruments and short-term deposits that are generated directly by 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

RISK IDENTIFICATION

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, investment securities and guarantees given.

Customers and other debtors

Aéroport de Paris' exposure to credit risk is mainly influenced by the individual characteristics of the customers.

The *Direction Générale de l'Aviation Civile* (DGAC) issues traffic rights to airlines without informing Aéroports de Paris on their financial solvability.

Figures concerning receivables and the age of current receivables are detailed in note 9 to the chapter 20 of Registration document "Analysis of risks related to financial instruments".

RISK MONITORING AND MANAGEMENT

The Debt and Cash division regularly analyses the counterparties and monitors the financial ratings given by rating agencies.

The Company's policy is to monitor customer non-payments on a daily basis. Financial analysis may be conducted on request from sales staff.

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.

Aéroports de Paris determines a level of write-down that represents its estimate of potential losses in relation to customer debts and other debtors, as well as investments. The main component of this write-down corresponds to the potential losses linked to individualised significant risks.

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 of French law.

The maximum exposure is equal to the book value of these instruments.

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.

Guarantees given

Financial guarantees are included in off-balance sheet commitments (see note 15 to the chapter 20).

The group's policy is only, where possible, to grant financial guarantees on behalf of wholly-owned subsidiaries. At 31 December 2017, there are several guarantees granted by Aéroports de Paris on behalf of ADP Ingénierie and ADP International for the benefit of different clients of these subsidiaries.

Liquidity risk

RISK IDENTIFICATION

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 presented in note 9 to the chapter 20 of Registration document "Analysis of risks related to financial instruments".

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. In the event of a lowering of its rating or the loss of the majority of the capital and voting rights by the Government, Aéroports de Paris may be exposed to the risk of early repayment of loan issues contracted through the European Investment Bank (EIB). For bonds, a clause on the change in control exists in the contracts and its action may, under certain conditions, give bond holders the possibility to request early repayment of their bonds.

As of 31 December 2017, Aéroports de Paris did not have any Euro Medium Term Note (EMTN) or commercial paper programmes.

RISK MONITORING AND MANAGEMENT

Aéroports de Paris monitors its cash flow on a daily basis. They are subject to monthly *reporting* to the Comex, summarising, in particular, financing operations and investments.

Cash flow forecasts are carried out on a multi-year basis.

In order to monitor changes in its rating, Aéroports de Paris holds regular discussions with the Standard & Poor's rating agency.

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.

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

Financial debt stood at €3,797 million at the end of 2017, vs. €2,709 million at the end of 2016. Average maturity is 6.0 years with the average cost being up slightly by 2.6% at the end of 2017 compared to 2.4% at the end of 2016.



Market risk

RISK IDENTIFICATION

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 to the chapter 20 of the Registration document "Analysis of risks related to financial instruments".

Interest rate risk

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

In 2017, Aéroports de Paris redeemed a mature loan in Swiss Francs (CHF200 million).

On 13 December 2017, Aéroports de Paris issued a ten-year bond at a rate of 1% for an amount of €500 million.

At 31 December 2017, debt, excluding interest accrued and derivative financial instruments (liabilities) stood at €5,965 million and mainly consisted of bonds and bank loans.

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.

RISK MONITORING AND MANAGEMENT

The Company has a limited interest rate exposure policy. Low rates have led the Company to retain most of its debt at a fixed rate.

The variability of the debt is studied on a case-by-case basis.

Exchange rate risk is currently marginal and handled at each operation, with the use of hedging being favoured.

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 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 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 2017, after taking interest rate swaps into account, around 85% of the group's debt was at fixed interest rates (86% in 2016).

Exchange risk

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 general terms, the group has little exposure to currency risk (see note 9 to the chapter 20 of the Registration document "Analysis of risks related to financial instruments").

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.



05

INFORMATION ON THE COMPANY

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Projected Aéroports de Paris' investment programme between 2016 and 2020	34
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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

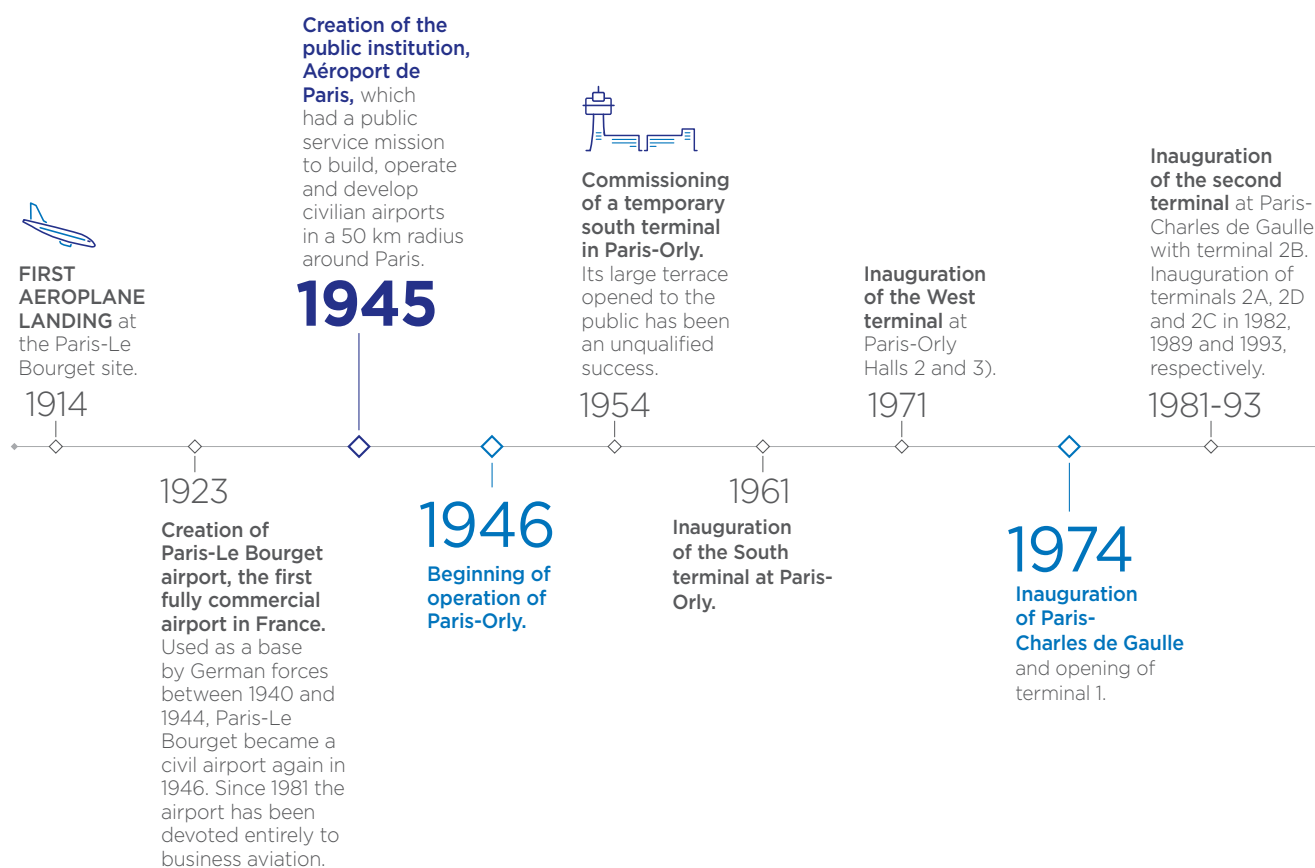
Registration in the Bobigny Trade and Companies Register: 13 March 2017, following the moving of the head offices.

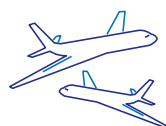
Term: 99 years starting from 20 July 2005, except in the event of early liquidation or extension.

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





Opening of the station connecting terminal 2 of Paris-Charles de Gaulle airport with the RER and the TGV stations.

1994

Construction of two additional parallel and independent runways at Paris-Charles de Gaulle.

1997-2000

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

2003

1995

Creation of the Air France hub in terminal 2 at the Paris-Charles de Gaulle airport.

1998-1999

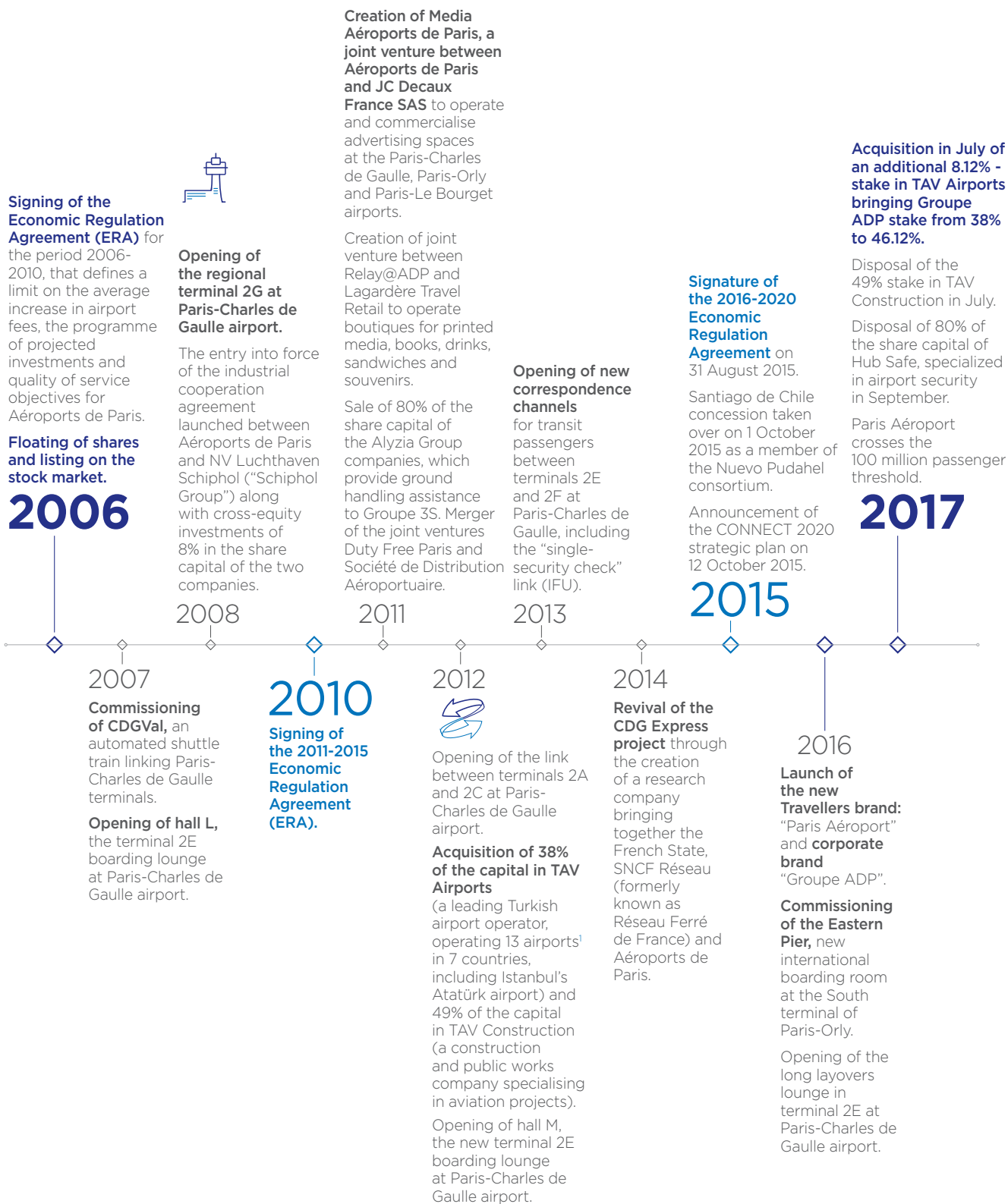
Commissioning of two modules of terminal 2F of Paris-Charles de Gaulle airport in 1998 (2F1) and 1999 (2F2).

2005

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

1989

Aéroport de Paris becomes Aéroports de Paris.



¹ Including Zagreb airport, whose concessionary consortium is 15% owned by TAV Airports and 20.8% owned by ADP International Management.

5.3 CAPITAL EXPENDITURES

Investments made by the group over the last three financial years

<i>(in millions of euros)</i>	2017	2016	2015
Capacity investments	256	220	148
Restructuring investments	81	69	33
Renovation and quality	232	255	186
Real estate development	126	122	50
Security	55	26	22
Cost of studies and supervision of works (FEST)	95	90	74
Other	34	11	13
Tangible and intangible investments, of which	879	792	526
<i>Investments made by ADP SA¹</i>	<i>801</i>	<i>774</i>	<i>512</i>
<i>Investments made by Aéroports de Paris subsidiaries</i>	<i>78²</i>	<i>18</i>	<i>15</i>

¹ Mother company of Aéroports de Paris group

² Including the investments of TAV Airports from 7 July 2017.

05

2017 was marked by tangible and intangible investments amounting to €879 million for Groupe ADP, including €801 million for the parent company (€774 million in 2016) and €78 million for its subsidiaries (€18 million in 2016).

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

- ◆ continued work to set up a system for conveying, handling and increasing security of luggage under the satellites S3 and S4 of terminal 2E;
- ◆ the renovation of terminal 2B and its junction with terminal 2D;
- ◆ the completion of building work on the new head office;
- ◆ the acquisition of the North part of the "le Dôme" office building in Roissy-pôle;
- ◆ compliance work on the rainwater treatment systems;
- ◆ work on the junction of the international satellites of terminal 1;
- ◆ relocation of taxi operating base;
- ◆ the rehabilitation of the train station (RER) in Roissy-pôle;
- ◆ repair work on the façades of the satellites of terminal 1;
- ◆ redesign of the shops in hall K of terminal 2E;
- ◆ hotel development in the Roissy-pôle Ouest area;
- ◆ the redevelopment of the secondary road network in the Roissy-pôle zone.

Investments at Paris-Orly airport mainly related to:

- ◆ continued building work on the junction between South and West terminals;
- ◆ the redesign of the international departure process of the South Terminal;
- ◆ extension work to the Golf areas and compliance work on the LGN-LJS turn;

- ◆ the extension to hall 1 of the terminal West;
- ◆ the second phase of runway 4 refurbishment;
- ◆ construction of additional boarding gates in hall A of the South terminal;
- ◆ work to switch the security check and border control posts at international departures in the South terminal;
- ◆ the continued renovation of the Orlytech business district;
- ◆ the end of construction of the airbridge linking the Cœur d'Orly district with the South terminal;
- ◆ preparatory work before the construction of the future Grand Paris station.

Investments at the Paris-Le Bourget airport mainly related to preparatory work related to the construction of the future Grand Paris station and development work on the Nord Atlas zone.

Aéroports de Paris also made significant investments in its support functions and projects common to both platforms in 2017, notably the purchase of luggage inspection equipment up to European regulation standard 3, updating of the restrooms and IT improvements.

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 parisian airports.

Projected Aéroports de Paris' investments programme between 2016 and 2020

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

<i>(in millions of 2017 euros from 2017)</i>	Actual 2016 (in euros 2016)	Actual 2017	Projected 2018	Projected 2019	Projected 2020	Total 2016-2020
Regulated scope ¹	538	545	700	676	485	2,945
Shops and other investments	84	96	187	179	131	676
Diversification real estate	120	99	107	92	56	474
Safety and security	33	62	133	147	168	543
TOTAL AÉROPORTS DE PARIS (EXCLUDING FINANCIAL INVESTMENTS)	774	801	1,128	1,095	840	4,638

¹ 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 undertaken by the infrastructure¹ project

management company, of which Aéroports de Paris owns one third, for an estimated total cost of €1.6 billion (in 2014 euros – equity and debt). This programme also excludes the potential investments linked to the acquisitions of holdings in France or abroad.

¹ For more information see Section 6.3 "Access to the Paris-Charles de Gaulle airport".

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

The projected investment programme within the regulated scope breaks down as follows:

	Actual 2016 (in euros 2016)	Actual 2017	Projected 2018	Projected 2019	Projected 2020	Total 2016-2020
Maintenance	196	186	241	238	143	1,003
Paris-Charles de Gaulle - Renovation of terminal 2B	12	28	32	36	16	123
Paris-Charles de Gaulle - Renovation of terminal 2D	-	-	-	-	3	3
Paris-Charles de Gaulle - Current Investments	121	92	95	88	75	471
Paris-Orly - Current Investments	42	40	89	100	41	312
Paris-Le Bourget - Current Investments	1	2	3	8	2	15
Aeronautical real estate - Current Investments	6	4	6	-	-	16
Computer networks and systems	14	19	15	6	6	61
Compliance with regulations	53	38	17	24	7	139
Regulatory runway investments	38	19	8	21	4	91
Rainwater	11	15	5	-	-	32
Other regulatory compliance investments	3	4	4	2	3	16
Optimisation of capacities and One Roof initiative	117	145	163	154	113	692
Paris-Orly - Connecting of the South and West terminals	101	96	95	43	11	346
Paris-Charles de Gaulle - Connecting of the 2B and 2D terminals	2	5	27	51	24	109
Paris-Charles de Gaulle - Connecting of terminal 1 satellites	4	4	25	43	36	112
Airport infrastructures	4	16	3	3	21	48
Other terminal projects	7	24	13	8	8	59
Terminal 4 preparatory work	-	-	-	5	12	17
Improving access	20	27	44	40	28	159
Paris-Charles de Gaulle - CDG Val	-	-	-	-	11	11
Paris-Charles de Gaulle - West access and secondary network	5	6	6	9	-	26
Relocation of taxi operating base	-	7	1	-	-	8
Paris-Orly - Projects linked to the building of the future Grand Paris station	9	7	8	15	12	51
Other miscellaneous projects	6	3	18	9	-	37
Connecting platform competitiveness and other processes	105	98	150	156	129	639
Terminals	15	10	20	22	11	79
Paris-Charles de Gaulle - Aeronautical aprons and taxiways	4	6	28	64	36	137
Operational reliability	19	24	24	11	27	105
Luggage sorters	55	46	59	37	38	234
Improving flows	3	2	8	7	4	23
IT projects	9	11	12	16	12	61
Service quality and sustainable development	28	37	70	39	25	199
Aeronautical real estate development	17	12	16	22	26	93
Functional departments	1	1	-	-	-	2
Provisions for study expenses for ERA 2021-2025 operations	-	-	-	4	14	18
GRAND TOTAL	538	545	700	676	485	2,945

PROJECTED OF INVESTMENT PROGRAMME FOR THE PARIS-CHARLES DE GAULLE PLATFORM (REGULATED SCOPE)

Over the 2016-2020 period, the planned investment programme within the regulated scope for Paris-Charles de Gaulle airport totals €1,730 million (in 2017 euros from 2017 forward).

It includes in particular:

- ◆ a renovation project for terminals 2B and 2D and a link between the two terminals which will provide new areas 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, thereby 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, and
- ◆ the upgrading of the wastewater management and treatment systems for wintertime, in line with the quantitative and qualitative disposal criteria set by regulations.

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

Over the 2016-2020 period, the planned investment programme within the regulated scope for the Paris-Orly platform totals €1,059 million (in 2017 euros from 2017 forward). It includes:

- ◆ completion of the "Paris-Orly Nouvel Envol" project, which began during 2011-2015 ERA, and includes:
 - ◆ 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:
 - ◆ the widening of taxiway turns, and
 - ◆ the creation of safety areas at the end of the runways.

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

Over the 2016-2020 period, the planned investment programme within the regulated scope for the Paris-Le Bourget platform totals €40 million (in 2017 euros from 2017 forward). This will primarily provide for the renovation of Runway 03/21 and the reconstruction of buildings.

PROJECTED CROSS-FUNCTIONAL PURCHASE PROGRAMME (REGULATED SCOPE)

Over the 2016-2020 period, the planned investment programme within the regulated scope totals €115 million (in 2017 euros from 2017 forward) in Group-wide capital improvements, including computer software.

Projected investment programme for retail and real estate activities

INVESTMENT PROGRAMME FOR RETAIL ACTIVITIES FROM 2016 TO 2020

Aéroports de Paris SA plans to invest €676 million in retail operations (in 2017 euros from 2017 forward) between 2016 and 2020, of which €135 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;
- ◆ refurbishment of hall L terminal 2E;
- ◆ the connection between the international satellites at Paris Charles-de-Gaulle terminal 1;
- ◆ the redesign of the public area of Paris-Charles de Gaulle terminal 1.

INVESTMENT PROGRAMME FOR DIVERSIFICATION REAL ESTATE ACTIVITIES FROM 2016 TO 2020

The 2016-2020 Aéroports de Paris SA investment programme includes €474 million (in 2017 euros from 2017 forward) in real estate diversification investments including:

- ◆ the building of a new Aéroports de Paris registered office at Paris-Charles de Gaulle;
- ◆ the acquisition of the North part of the "le Dôme" office building in Roissy-pôle;
- ◆ the rehabilitation of the train station (RER) in Roissy-pôle;
- ◆ renovation of the Orlytech zone.

Projected investment programme for Safety and Security from 2016 to 2020

Aéroports de Paris's 2016-2020 investment programme plans for €543 million (in 2017 euros as from 2017) of Safety and Security investments, primarily for the purchase of standard 3 hold baggage screening systems to comply with European regulations.

TAV Airports investment programme

The investments of TAV Airports amounted to €41 million in 2017, of which €18 million since 7 July 2017. In 2018, the group expects to invest approximately €80 million.

Contractual commitments for fixed asset acquisition

Contractual obligations for fixed asset acquisitions totalled €845 million on 31 December 2017:

- ◆ €380 million for capacity investments;
- ◆ €166 million for restructuring investments;
- ◆ €147 million for renovation and quality investments;
- ◆ €93 million for security investments;
- ◆ €20 million for investments related to real estate developments;
- ◆ €40 million for investments for design and technical monitoring costs.



06

BUSINESS OVERVIEW

6.1 PRESENTATION OF THE ACTIVITY

General description
The group's strengths
Strategy

6.2 OVERVIEW OF THE MARKET

Airport operations
Passenger traffic
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Competition
Factors of dependence

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

Paris-Charles de Gaulle
Paris-Orly

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Paris-Le Bourget

Civil airfields for general aviation

6.4 DESCRIPTION OF ACTIVITIES BY SEGMENT

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Real Estate
International and airport development
Other activities
Legal and regulatory environment

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6.1 PRESENTATION OF THE ACTIVITY

General description

Present in more than thirty countries, Groupe ADP covers the entire range of the businesses of the airport value chain, from financing to airport design and operation.

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.

A gateway to France, which is the world's leading tourist destination¹, Groupe ADP owns and operates the three main airports in the Paris region (Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget), ten general airfields and the Issy-les-Moulineaux heliport.

¹ 2016 data - Publication of the Interministerial Council on Tourism (26/07/2017).

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.

Groupe ADP's expertise as an airport manager spans a network of 26 airports¹.

Groupe ADP, which strengthened its strategic partnership with TAV Airports² (which operates 17 airports³ including Istanbul Atatürk), in 2017,

is among the largest airport groups worldwide, with 26 airports under management and more than 228 million passengers received in 2017⁴. Since 7 July 2017, TAV Airports, formerly accounted for by the equity method, has been fully consolidated in Groupe ADP's financial statements under the International and airport development segment.

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

Simplified financial information

(in millions of euros)	2017			2016		
	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	1,813	551	272	1,743	488	186
Retail and services	953	533	404	941	527	409
Real estate	250	209	161	263	149	104
International and airport developments	682	252	186	97	3	(49)
Other activities	217	25	9	223	29	14
Inter-sector eliminations	(298)	(2)	(2)	(321)	-	-
TOTAL	3,617	1,567	1,030	2,947	1,195	664

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, and of the greater Paris region, 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;
- ◆ this is a central position, 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 (77% of total traffic in 2017) and to continue its development as a prominent hub.

Complementary airports adapted to future global traffic growth

An airport system in Île-de-France 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 2017" 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 3rd European hub for global connectivity (number of cities covered), behind Frankfurt and Amsterdam.

¹ Note that TAV Airports won the concession for 3 airports in Saudi Arabia (Yandu, Qassim and Hall) on 8 June 2017.

² See below "International and airport development".

³ Including Zagreb airport, whose concessionary company is owned at 15% by TAV and 20.8% by Groupe ADP, via its 100% subsidiary, ADP International.

⁴ Calculation taking into account 100% of TAV Airports traffic for 2017. Please also refer to the paragraph "2017 Groupe ADP traffic by airport, presented in Chapter 6.

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, and the bus stations, expanded over time as a result of coach travel liberalisation, will gradually offer an additional transport service. Furthermore, the continuation of the project CDG Express made it possible to confirm that the direct rail linking Paris-Charles de Gaulle airport to Paris/Gare de l'Est will be opened in 2024.

Finally, the location of major freight players such as Air France-KLM, La Poste and FedEx (whose contract was extended in 2017 up to 2048), including an extension of the European hub of the operator) 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 pairs 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

Aéroports de Paris has its fully-owned land and airport facilities in Paris and is, pursuant to law and indefinitely, the operator of the Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports as well as the civil airfields located in the greater Paris region¹.

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.

Accordingly, under the CRE, 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 invested² 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 58,100 sq.m space of commercial landside and airside³, which allows the group to offer its customers a competitive and diverse commercial offering. The plans to increase the retail space in existing terminals, create space in new facilities, and to refine the current offering, enable Groupe ADP to continue to expand its retail activities.

Diversification real estate

In its Parisian regional platforms (Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget), Groupe ADP has 411 hectares of land reserves earmarked for future property developments, giving it a truly dynamic real estate policy⁴.

International and airport development

In 2017, Groupe ADP reorganised its international activities by creating ADP International, a wholly-owned subsidiary of Aéroports de Paris; ADP International, pools together the teams of Aéroports de Paris Management and ADP Ingénierie, and is responsible for the entire international scope of the Group. This new structure allows Groupe ADP to make the most of new growth opportunities and optimise the management of its portfolio of international stakes.

In 2017, Groupe ADP acquired an additional 8.12% of TAV Airports capital, taking its stake from 38%, acquired in 2012, to 46.12%, and sold its 49% stake in TAV Construction⁵. TAV Airports, whose activities are mainly located in Turkey, benefits from the dynamic Turkish Airlines and a privileged position in the Middle East. In 2017, TAV Airports passenger traffic increased by 9.8% compared with 2016⁷.

Strategy

The CONNECT 2020 strategic plan⁷

Groupe ADP is a global airport group with presence in the major segments of the airport value chain in Paris and abroad. Thanks to this asset, the Group aspires to become an integrated provider of airport services by increasing the competitiveness and appeal of its Parisian base for its customers, by expanding its know-how and 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. In addition, 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 modifying the traditional models of airline companies and European airports, thus providing opportunities for the group, which intends to confirm its position as a major player in the airport value chain.

¹ Described by Article D. 251 of the Civil Aviation laws: Chavenay-Villepreux, Chelles-Le Pin, Coulommiers-Voisins, Étampes-Mondésir, Lognes-Émerainville, Meaux-Esbly, Paris — Issy-les-Moulineaux, Persan-Beaumont, Pontoise — Cormeilles-en-Vexin, Saint-Cyr-l'École and Toussus-le-Noble.

² Please also refer to the paragraph in Chapter 6 on "Fees".

³ Please also refer to the paragraph in Chapter 6 on "Retail and services".

⁴ Please also refer to the paragraph in Chapter 6 on "Real estate".

⁵ Please also refer to the paragraph in Chapter 6 "International and airport developments".

⁶ Source: Turkish ministry of transport.

⁷ Strategic dossier with details on the objectives set by the plan published on 12 October 2015.

Given this environment, the competitiveness of airlines is increasingly 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 approach 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 and to continue to help the Company evolve following its listing on the stock exchange in 2006. The CONNECT 2020 strategic plan is a natural extension of the Economic Regulation Agreement (ERA) signed with the government for 2016-2020, and sets out the objectives for regulated as well as non-regulated activities: retail activities via terminal shops and services, diversification of real estate (hotels, offices, etc.), subsidiaries and international holdings.

Having previously focused on developing the capabilities of Paris-Charles de Gaulle and the quality of service of the Parisian airports, the Groupe ADP is now concentrating on developing its potential to meet one goal: to be a leading group in airport design and operations.

To this effect, it 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.**

The three priorities, which run right across the Group's activities, are split into nine commitments which it has made to its stakeholders, thus assuming its role as an integrator to unite all players for the benefit of the aeronautical sector and regional 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's first priority is to consolidate its fundamentals in order to create a solid base favourable to the sustainable growth of its business 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 ambitious and selective CONNECT 2020 investment programme, in the amount of €4.6 billion, of which €3 billion¹ is 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 on maintaining assets and ensuring regulatory compliance. It must also help to counter the growing spread and diversity of the 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.

STRENGTHEN COMPANY PERFORMANCE

Groupe ADP also intends to improve its internal organisation by optimising all its operating and functional methods for more efficiency and responsiveness (streamlining support business lines and functions, pooling operational units and on innovation for tools, management and working methods, etc.).

A milestone was reached in July 2017 with the creation of the Directorate General of Airport Operations, which brings together operational and technical expertise to the service of airport management. The gradual implementation of CDG 2020 and ORY 2020 will continue in 2018 with transformation plans intended to boost operating efficiency, the consistency of operating procedures and the transversality of processes. Finally, two departments will be created within the Purchasing Department:

- ◆ the Workplace Environment Department that will centralise the range of services available to employees; and
- ◆ the Logistics Department that will enable the management of end-to-end logistics chain.

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 2020².

IMPROVE FINANCIAL PERFORMANCE

The Group has set itself the goal of increasing its consolidated EBITDA by 30% to 40% over 2014 levels and of achieving Return On Capital Employed (ROCE) for the regulated scope at the level of the Group Weighted Average Cost of Capital (WACC) of 5.4%² 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

For the passenger who takes an intercontinental flight and chooses his "gateway into Europe" airport or his connection point, Paris faces competition from other major airports.

In this context, 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 distinctive retail and services offering and to simplifying and personalising the customer relationship by building on a reinforced digital strategy.

At the end of 2017, among the main actions decided for customers, figure Paris Aéroport and Air France-KLM loyalty programmes with a view to expanding the portfolio of benefits offered to the passenger. Furthermore, the major project #BAP – *Bienvenue à Paris* (Welcome to Paris), which is reworking the welcome extended to passengers throughout their journey through the terminal, was launched in 2017; its deployment is planned from the 2nd quarter of 2018.

Groupe ADP is harvesting the fruits of the efforts put in for many years. In the general Skytrax ranking in 2017, Aéroport de Paris-Charles de Gaulle secured the 32nd place. In 3 years, Paris-Charles de Gaulle has gradually climbed 63 places in this ranking. It figures in the top 10 best airports of the world in the categories "airports receiving more than 60 million

¹ Please also refer to Chapter 5 entitled "Capital Expenditures".

² Please also refer to Chapter 13 entitled "Profit forecast".

passengers" (8th place), "shopping" (8th place), "leisure activities" (9th place), "best terminal" with hall M of terminal 2E (7th place).

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 to encourage operating modes carrying accountability, transversality and cooperation. The "Attitude Manager" project organises 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 is being 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".

PROMOTE GROUPE ADP BRANDS

This two-tier identity, the Group brand "*Groupe ADP*" and a traveller's brand "*Paris Aéroport*", helps 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, which was implemented in 2017.

Groupe ADP is also implementing actions so that its "*Paris Aéroport*" brand is more visible in the terminals thanks to cultural events and the development of digital communications. By fully promoting its 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 the principal 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 improve the on-time performance of flights at Paris-Charles de Gaulle by 2020.

To this effect, 2017 was marked by the signing of the extension of the agreement with FedEx up to 2048 and the launch of the CEIV Pharma (Center of Excellence for Independent Validators) certification process of Paris-Charles de Gaulle, in association with IATA (International Air Transport Association) to guarantee a global standard for the transport of pharmaceutical products.

Moreover, as part of the close collaboration with the French Air Navigation Services Division (DSNA), the RunWay Status Lights (RWSL) system, designed to inform crews and vehicle drivers of the occurrence of a runway incursion, was deployed in 2017 at Paris-Charles de Gaulle airport.

This implementation, which falls under the recommendations of the International Civil Aviation Organisation (ICAO) and the programme air transport improvement programme of the European Commission, was a first in Europe.

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.

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.

CDG Express, essential project for the appeal of the Paris-Charles de Gaulle airport and the image of Paris, made further progress in 2017 with the publication of the Prefectoral Decree amending the declaration of public interest of the project, its validation by the European Commission in terms of state aid rules and the European Parliament's approval of the role of the French government as lender to the Company, whose majority stake is held by Groupe ADP and SNCF Réseau responsible for the financing, design, construction and maintenance of the project infrastructure. These key steps for the continuation of the project make it possible to confirm that the project is in line for the CDG Express link to be opened by end of 2024. This rail link will adapt access to Paris-Charles de Gaulle airport for increased traffic and improve the quality of the passenger experience.

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% per year over the 2016-2020 period. It also announced its ambition to reduce CO₂ emissions to by 65% at the three Paris airports between 2009 and 2020.

In 2017, the ISO 50001 certification of the energy management system obtained in June 2015, was confirmed by the follow-up audit. Also, in 2017 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

Groupe ADP has deployed its international development strategy as part of its ambition to become a world leader in the design and operation of airports. The Group acquired an additional 8.12% of TAV Airports' capital, taking its stake to 46.12%, which increases its involvement in this strategic asset.

The expansion of Groupe ADP abroad enables it to take advantage of some of the opportunities offered by increased global traffic. It aims to strengthen its position in regions in which it already has operations and develop in regions with high growth potential. For example, a contract to take exclusive control of Airport International Group ("AIG"), concessionaire of Queen Alia International airport in Amman, Jordan, was signed at the end of 2017. Over time, the group plans to expand its airport portfolio by targeting new significant acquisitions abroad.

The group's 2020 objectives

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

Groupe ADP¹ has set the following main objectives for 2020, based on an assumption for an average annual growth in passenger traffic in Paris of 2.5% between 2016 and 2020:

- ◆ return on capital employed in the regulated scope: return on capital employed in the regulated scope is in line with the Group's average weighted cost of capital estimated at 5.4% in 2020e;
- ◆ quality of service: attainment of an overall ACI/ASQ score of 4;
- ◆ 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 of between 30 and 40% from 2014 to 2020e, thanks to the combination of the above items.

6.2 OVERVIEW OF THE MARKET

Airport operations

Groupe ADP is an airport operator

Present at each step of the flows of passengers and goods, 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.

For 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. Groupe ADP also supplies airlines 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.

Airlines and their ground handling assistance services

The airport operator's responsibility toward passengers ends when the passenger is placed under the airline's responsibility. 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 oneworld²) are the preferred framework for cooperation between intercontinental carriers, smaller scale forms of partnership are increasingly emerging. 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;

¹ Excluding the full consolidation of TAV Airports.

² 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 members of the Star Alliance 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 members of oneworld present in Paris are American Airlines, British Airways, Cathay Pacific, Finnair, Iberia, Japan Airlines, LATAM, Qatar Airways and Royal Jordanian.

- ◆ 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. They are responsible for organising the entire transport chain and, if they have approval, customs formalities;
- ◆ the road transport carrier in charge of the pre- and post-transportation of shipments from the loader's facility to the airport warehouse;
- ◆ 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.; With the development of new emerging players in e-commerce: online sales platforms such as Amazon, Ali Baba. Therefore, in 2016, Amazon equipped itself with its own air cargo network and entered into direct competition with express cargo players;
- ◆ 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

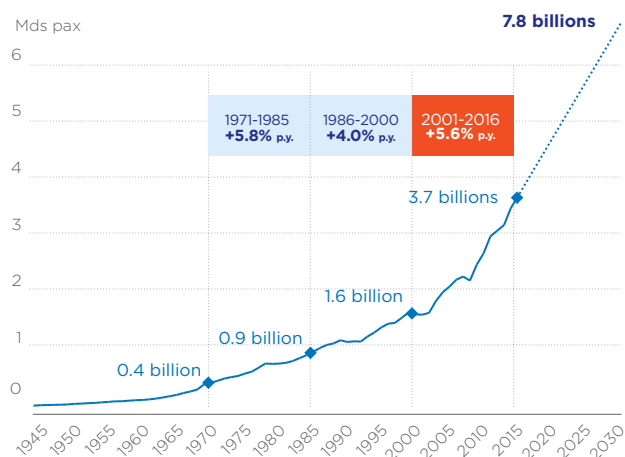
Aside from their regulatory role (see the paragraph in chapter 6, "Fees"), the government authorities are responsible for a certain number of services:

- ◆ 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) as well as the services of the Prefecture of police of Paris;
- ◆ 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.

Passenger traffic

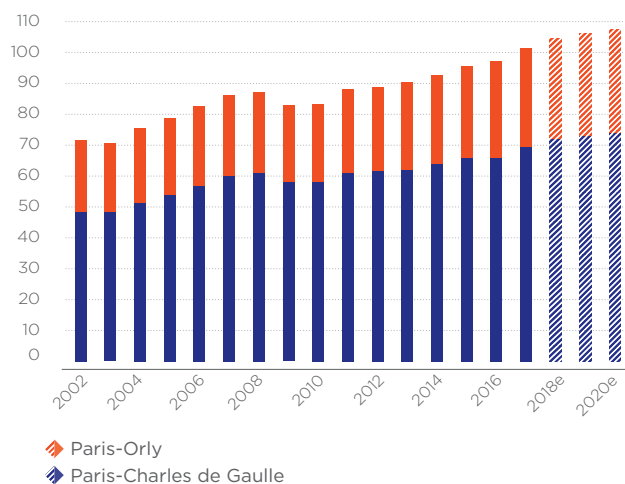
Trends in air traffic and expected global growth¹

(in billions of passengers)



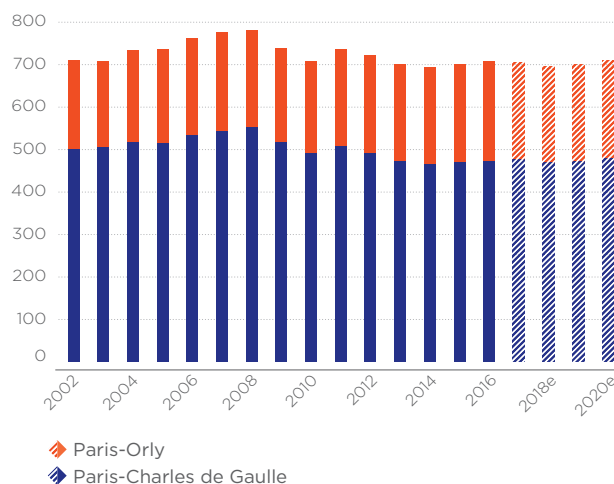
Trends in passengers traffic at Paris Aéroport²

(in millions of passengers)



Changes in aircraft movements at Paris Aéroport²

(in thousands of movements)



Change in traffic at Paris Aéroport² in 2017

In 2017, traffic increased by 4.5% compared to 2016, reaching 101.5 million passengers: it increased 5.4% at Paris-Charles de Gaulle (69.5 million passengers) and 2.6% at Paris-Orly (32.0 million passengers).

Traffic grew by 5.0% in the 1st half of 2017 and by 4.0% in the 2nd half.

The number of connecting passengers increased by 1.2% and the connecting rate fell by 0.8 points to 23.1%.

Air traffic movements were down by 0.4% to 704,681 movements at Paris-Orly and Paris-Charles de Gaulle. At Paris-Le Bourget, they increased by 2.8% to 58,216.

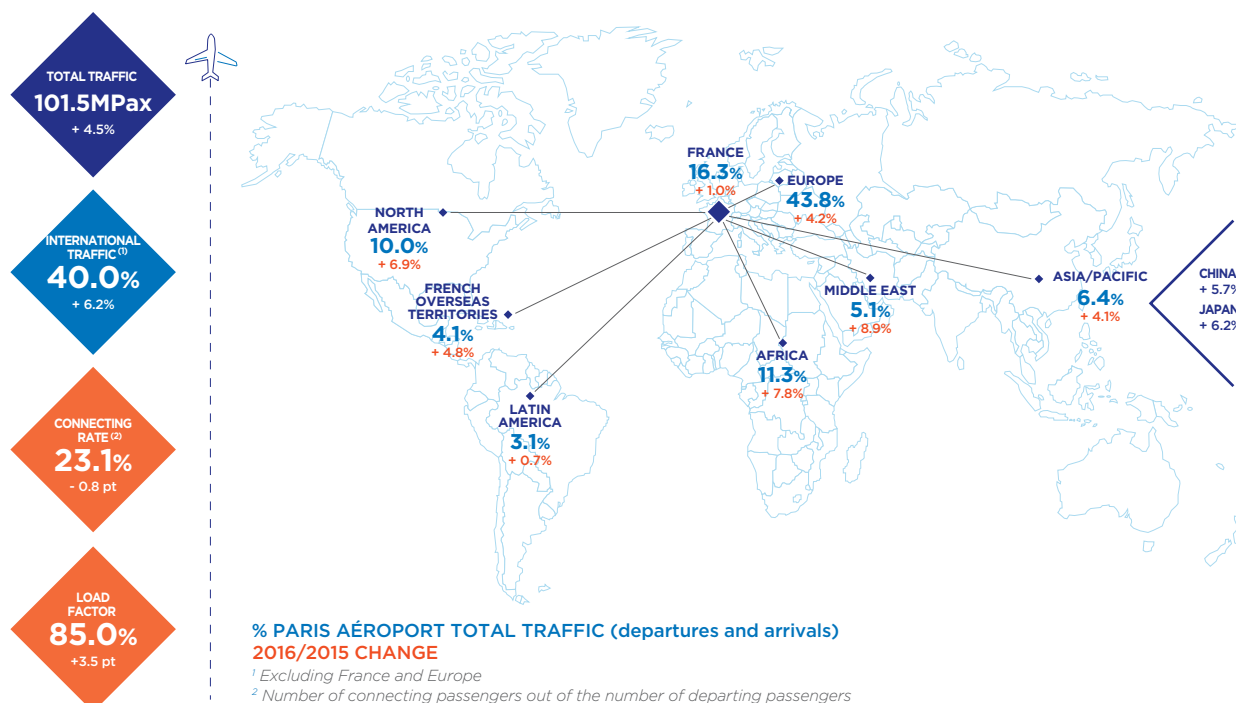
Low-cost airline traffic (20.1% of total traffic) was up by 8.8%.

Freight and postal activity increased by 2.3%, with 2,295,417 tonnes transported.

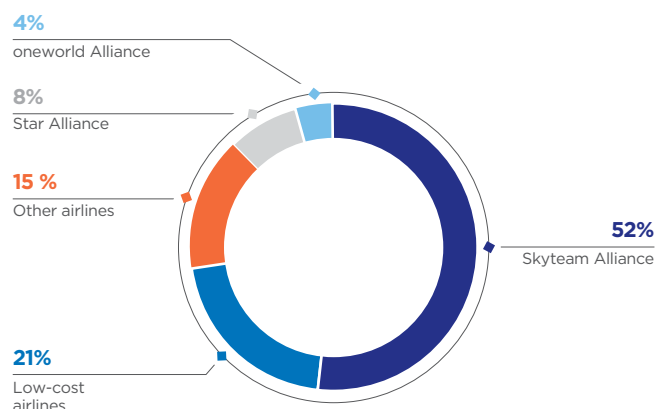
¹ Sources: Groupe ADP/OACI 2017/IATA Air Passenger Forecasts 2016-2036.

² Paris-Charles de Gaulle and Paris-Orly. Source: Aéroports de Paris.

Breakdown of Paris Aéroport's passenger traffic by destination in 2017¹



Paris Aéroport's passenger traffic in 2017 by type of airline¹



The main airlines that operate from Paris-Charles de Gaulle and Paris-Orly are Air France² (46.2% of overall traffic), easyJet³ (8.2%), Transavia.com (4.7%), Vueling (3.8%) and Delta Airlines (1.6%).

¹ Source: Aéroports de Paris.

² Air France-KLM, Hop!

³ EasyJet Airlines Co and EasyJet Switzerland.

⁴ Groupe ADP total traffic (at 100%) stands at 259 million passengers, up by 7.4% compared to 2016.

2017 Groupe ADP traffic by airport⁴

Group traffic (in millions passengers)	Groupe ADP stake ¹	Stake- weighted traffic (mpax) ²	2017/2016 change ³
Paris Aéroport (CDG+ORY)	@ 100%	101.5	+4.5%
Zagreb	@ 20.8%	0.6	+11.8%
Jeddah-Hajj	@ 5%	0.4	+2.9%
Amman	@ 9.5%	0.8	+6.8%
Mauritius	@ 10%	0.4	+5.4%
Conakry	@ 29%	0.1	+23.8%
Santiago de Chile	@ 45%	9.6	+11.6%
Antananarivo et Nosy Be	@ 35%	0.4	+6.2%
Istanbul Atatürk	@ 46.1%	63.7 (@ 100%)	+5.5%
Ankara Esenboga	@ 46.1%	15.8 (@ 100%)	+21.5%
Izmir	@ 46.1%	12.8 (@ 100%)	+6.4%
Other airports ⁴	@ 46.1%	22.6 (@ 100%)	+17.5%
TOTAL GROUP		228.2	+4.5%

¹ Direct or indirect.

² Total traffic is calculated using the following method: traffic at the airports that are fully integrated is recognised at 100%, while the traffic from the other airports is accounted for pro rata to Groupe ADP's percentage holding.

³ Change in 2017 traffic as compared to 2016, with the scope excluding that of the Mexican airports disposed of in October 2016 and taking into account 100% of the TAV Airports traffic for the full 2017 financial year.

⁴ Turkey (Milas-Bodrum), Croatia (Zagreb), Saudi Arabia (Medinah), Tunisia (Monastir & Enfidha), Georgia (Tbilissi & Batumi), and Macedonia (Skopje & Ohrid).

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 therefore contributing to the economic balance of the passenger routes.

TAV Airports also operates cargo activities at the Tbilisi (Georgia), Monastir and Enfidha (Tunisia), and Medina (Saudi Arabia) airports.

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

In 2017, Paris Aéroport estimates that it handled 2.3 million tonnes of cargo (+2.3% compared with 2016) at the Paris-Charles de Gaulle (2.2 million tonnes, up 2.8%) and Paris-Orly (0.1 million tonnes, down 7.2%) airports.

In 2017, the trend already seen in previous years toward a greater volume of cargo transported in dual-purpose aircraft 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 due to the change of equipment 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

Groupe ADP's 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 for the Parisian platforms 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 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

In order to attract pharmaceutical flows, with high added value and as true growth drivers for the cargo business, in summer 2016, Groupe ADP, working with IATA, launched an initiative that enables the Paris-Charles de Gaulle cargo community to obtain CEIV Pharma certification; this has become the standard certification in response to increasing demand from the pharmaceutical industry. The first phase of this initiative, officially launched on 27 January 2017 and co-financed by Groupe ADP, includes ten Cargo partners representing the entire cargo chain (road carriers, transport commissioners, airlines, ground handling, runways and shops, etc.). Two partners have already obtained their certification and three others are slated to obtain it in early 2018.

This initiative is supported by already certified cargo operators such as Air France Cargo, DHL, Bolloré Logistics and Kuhne et Nagel.

Furthermore, Groupe ADP has also launched, along with the cargo community, an airside equipment geolocation system and a quarantined export animal station in addition to the existing import station.

Finally, Groupe ADP has invested heavily in rebuilding the interprofessional air cargo association: ACFA (Air Cargo France Association). ACFA was created led by Groupe ADP, representatives of the cargo sector and competent authorities. Successor of the CIF (*Comité Interprofessionnel du Fret* — Interprofessional Cargo Committee), but with a broader mandate, it aims to represent the interests of the sector and promote it both in France and internationally, as well as carry out technical projects of mutual interest. It aims notably to increase the competitiveness and visibility of the cargo offering, work on fiscal and healthcare harmonisation, and promote flows with strong added value. To carry out its missions, it has set up working groups for the physical processing of cargo, pharmaceutical products, dematerialisation of cargo and its monitoring, as well as on changes in the cargo business. Groupe ADP assumes the chairmanship of the ACFA for its first year of existence.

Promotion of air cargo transport

Groupe ADP campaigns for the development of traffic rights (5th 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 made significant investments to ensure that Paris hosted the 28th edition of the Air Cargo Forum in 2016. 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, ground-handling agents, integrators, express delivery providers and loaders, etc.). As joint host of the Parisian edition with Air France Cargo in 2016, Groupe ADP will participate in the 2018 edition of ACF to be held in Toronto.

In 2017, Groupe ADP increased its investment and interventions in international air cargo trade fairs like Air Cargo Europe in Munich in May 2017, Vinexpo alongside HAROPA (Ports of Paris, Seine-Normandie) in June 2017, the Symposium on International Transport of healthcare products organised by Pharma Logistic Club in September 2017 and the Executive Summit of TIACA in October 2017 to promote its airports and their cargo related know-how.

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 accompany each shipment. Groupe ADP is also preparing to launch, in 2018, the 1st 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.

Finally, 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.

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 are¹:

Rank	Airport (IATA code)	2017 traffic (in millions of passengers)	2017/2016
1	Atlanta (ATL)	103.9	-0.3%
2	Beijing (PEK)	95.8	+1.5%
3	Dubai (DXB)	88.2	+3.5%
4	Los Angeles (LAX)	84.6	+4.5%
5	Tokyo (HND)	83.2	+4.3%
6	Chicago (ORD)	79.5	+1.8%
7	Londres (LHR)	78.0	+3.0%
8	Hong Kong (HKG)	72.8	+3.5%
9	Shanghai (PVG)	70.0	+6.1%
10	Paris (CDG)	69.5	+5.4%

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, Paris Aéroport is primarily in competition with London Heathrow (78.0 million passengers in 2017), home to British Airways and the Oneworld Alliance members, and Frankfurt airport (64.5 million passengers in 2017), the 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 3rd European hub for global connectivity, behind Frankfurt and Amsterdam². Paris-Charles de Gaulle is ranked as the third European hub in the most profitable segment for intercontinental connections with Asia Pacific, behind London-Heathrow and Frankfurt with a growth rate of 7.6% over the past ten years, while the two other airports saw a decline in this segment. Paris Aéroport is also in competition with *hubs* further afield, such as Dubai (88.2 million passengers in 2017), home of Emirates, which are striving to become major international hubs between Europe, the Americas and Asia.

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¹ Source: ACI Europe.

² Please refer to the paragraph "A powerful hub" in Chapter 6.

Competition with France's regional airports

The leading French airports in terms of passenger traffic are¹:

Rank	Airport	2017 traffic (in millions of passengers)	2017/2016
1	Paris-Charles de Gaulle	69.5	+5.4%
2	Paris-Orly	32.0	+2.6%
3	Nice-Côte d'Azur	13.3	+7.1%
4	Lyon-Saint-Exupéry	10.3	+7.6%
5	Marseille-Provence	9.3	+14.7%

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 20.7% 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 3.6 million passengers in 2017, a decrease of 8.8%. 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, 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.

Competition in the cargo and mail market

Paris Aéroport is the European leader with 2.30 million tonnes of cargo and mail handled in 2017. Its main competitor in Europe is Frankfurt, with 2.194 million tonnes treated in 2016, compared to 2.195 million tonnes handled at Paris-Charles de Gaulle.

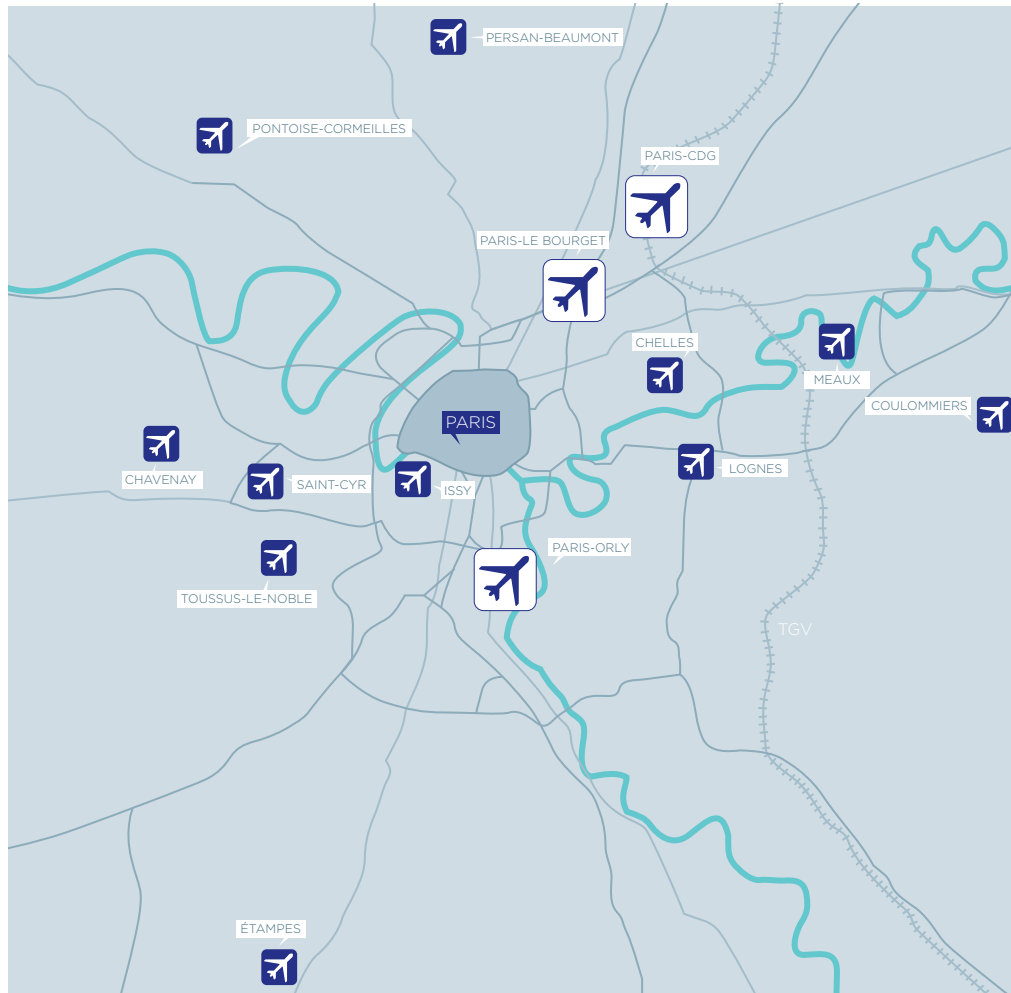
Factors of dependence

See the paragraph in chapter 4 entitled "Risks related to the customer portfolio structure".

¹ Source: Union des Aéroports français.

6.3 DESCRIPTION OF THE PARISIAN 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.

122,040^{1 2} people work at the Paris region airports, including, 90,190 at the Paris-Charles de Gaulle, 28,360 at Paris-Orly and 3,490 at Paris-Le Bourget. It is estimated that these airports generate more than 570,800 jobs (directly or indirectly related, induced or catalytic), that is, more than 8% of salaried jobs in the Paris region.

¹ Source: Utopies 2017 study Direct jobs. Data at the end of 2016.

² All contracts combined (permanent, fixed-term, interim, work-study and other contracts).

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 in the airport system which also includes 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 9 passenger terminals with a theoretical capacity of 79 million passengers per year (72 million passengers per year at end 2016, due in large part to the temporary closure of Terminal 2B) and 6 cargo terminals. With 69.5 million passengers welcomed in 2017 (up 5.4%), it is the 10th largest airport in the world, the 2nd in Europe and the 1st in France. Cargo and mail traffic totalled 2.2 million tonnes in 2017. Services were provided to 325 cities/worldwide from Paris-Charles de Gaulle airport in 2017.

Paris-Charles de Gaulle acts as the head office for around 700 companies and has 90,190² direct jobs.

Nominal capacities of terminals at Paris-Charles de Gaulle

At the end of 2017, the nominal capacities of the terminals amounted to 72 million passengers, given the continuing work to refurbish Terminal 2B.

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 is 120 movements per hour for the 2018 summer season. The entire runway system has been adapted to accommodate wide-bodied aircraft (Airbus A380).

The airport has 301 aircraft parking stands³, including 139 contact stands. Out of the 162 remote stands, 78 are used for cargo.

In 2017, the number of aircraft movements was 475,654 an increase of 0.6% compared with 2016.

¹ With a minimum of 12 movements during the year.

² All contracts combined (permanent, fixed-term, interim, work-study and other contracts). 2016 data extracted from Utopies study.

³ Figures at 31 December 2017, provided in a configuration of normal and simultaneous use of items. There are other possible configurations that may cause these values to vary.

(in millions of passengers/year)

	At the end of 2017	At the end of 2006
Terminal 1	9	8
Terminal 2	59	36
ABCD (Note: terminal 2B has been closed for remodelling since 9 April 2013)	16	21
E	24	5
Of which		
Pier	7	5
Satellite 3	9	-
Satellite 4	8	-
F	16	11
G	3	-
Terminal 3	4	4
TOTAL	72	47

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 2017" 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 3rd European hub for global connectivity (number of cities covered), behind Frankfurt and Amsterdam.

It is the European hub of La Poste and FedEx, the extension underway will enable an approximate 50% increase in sorting and parcel processing capacity and will be operational in 2019. It is also home to all of the main international freight companies. Its processing capacity of around

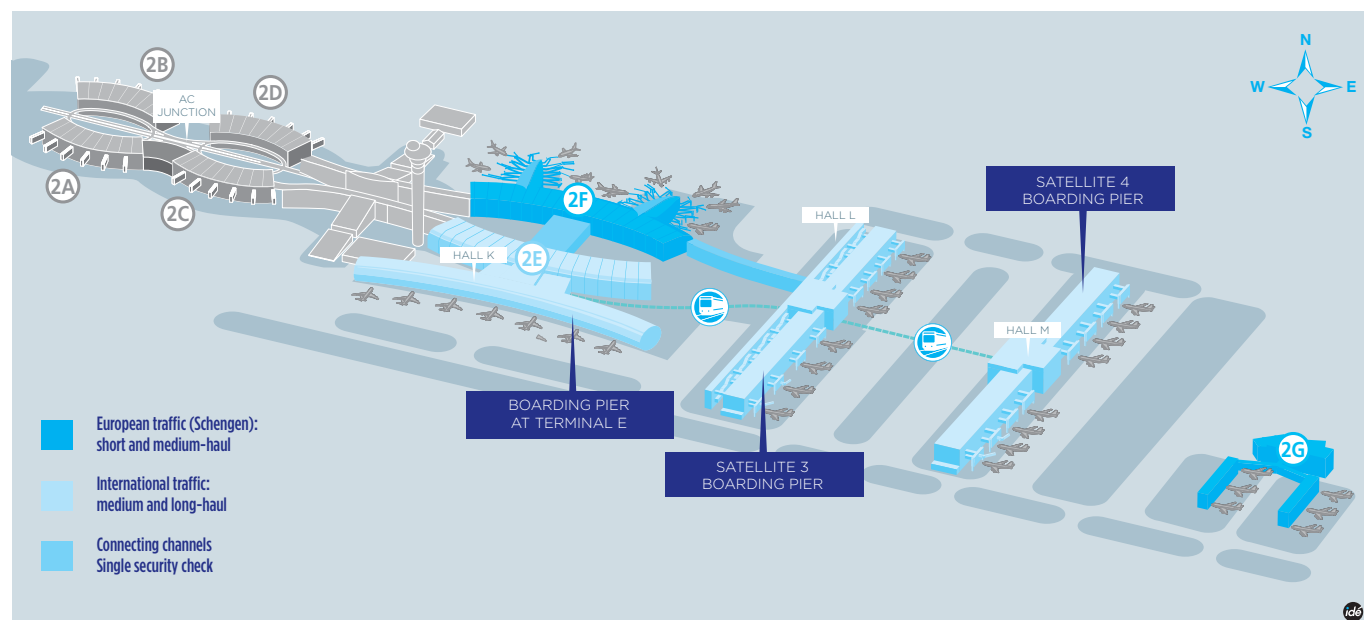
3.6 million tonnes of cargo per year provides expansion opportunities for cargo companies.

The work to extend the baggage sorting system in halls L and M is one of many improvement projects aimed at increasing the appeal and performance of the hub.

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 redesign of the connecting wells between terminals 2E and G, the opening of the lounge space Instant Paris, 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.

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Infographic of Paris-Charles de Gaulle terminal 2:



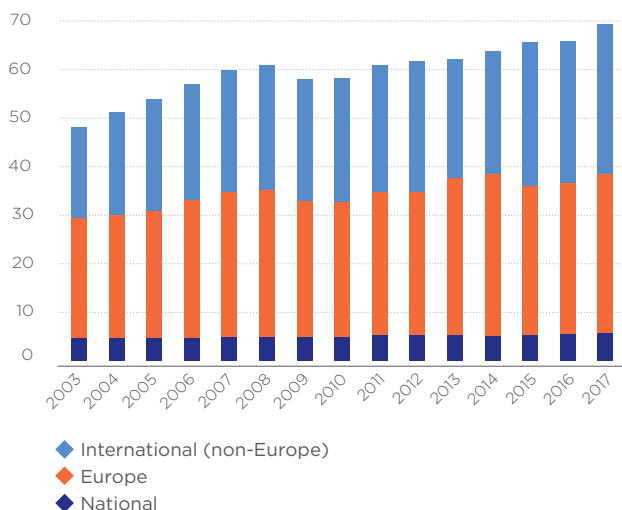
Traffic

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 2017, connecting traffic accounted for 30.6% of the traffic.

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

(in millions of passengers)



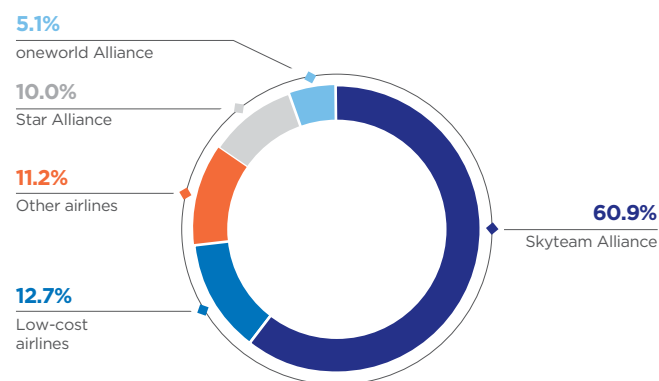
Airlines

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 2017



The main airlines operating from Paris-Charles de Gaulle airport are Air France¹ (52.5% of the traffic), easyJet² (7.2%), Delta Airlines (2.4%), Vueling (1.6%) 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 Roissypole 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 French Minister responsible for Transport, the Oceans and Fisheries, announced during his visit to Paris-Charles de Gaulle airport with Augustin de Romanet, Chairman and CEO of Aéroports de Paris, the relaunch of the CDG Express project, which will link the airport to the Gare de l'Est in 20 minutes, via the creation of a consultancy by 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.

Thus, in accordance with 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 will grant 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 coming into force of the works concession is scheduled for mid-2018. The CDG Express rail link 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. The link is expected to be commissioned by 2024.

The project's financing procedures were also clarified. Thus, the Amending Finance Law for 2016 created a "CDG Express" contribution in the maximum amount of €1.40 per non-connecting passenger, paid for by the airlines using Paris-Charles de Gaulle starting in 2024, for commissioning the link. The rail service will also be paid for by the users. Finally, as part of the Finance Law for 2018, the Parliament adopted the necessary provisions so that the French government also assumes the role of lender to the company holding the concession contract with the government.

On the other hand, as part of the "New Grand Paris" project, the Prime Minister indicated that the government would like line 17 between Saint Denis Pleyel and the Paris-Le Bourget airport, to be in service by 2024 and with an extension as far as the Paris-Charles de Gaulle airport by 2030. 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. Line 17 was declared of public utility by Decree on 14 February 2017.

¹ Air France-KLM, Hop!

² 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 28,600 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 2017 are described in chapter 5¹.

The 2016-2020 projected investment programme for the regulated scope is outlined in chapter 5². 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

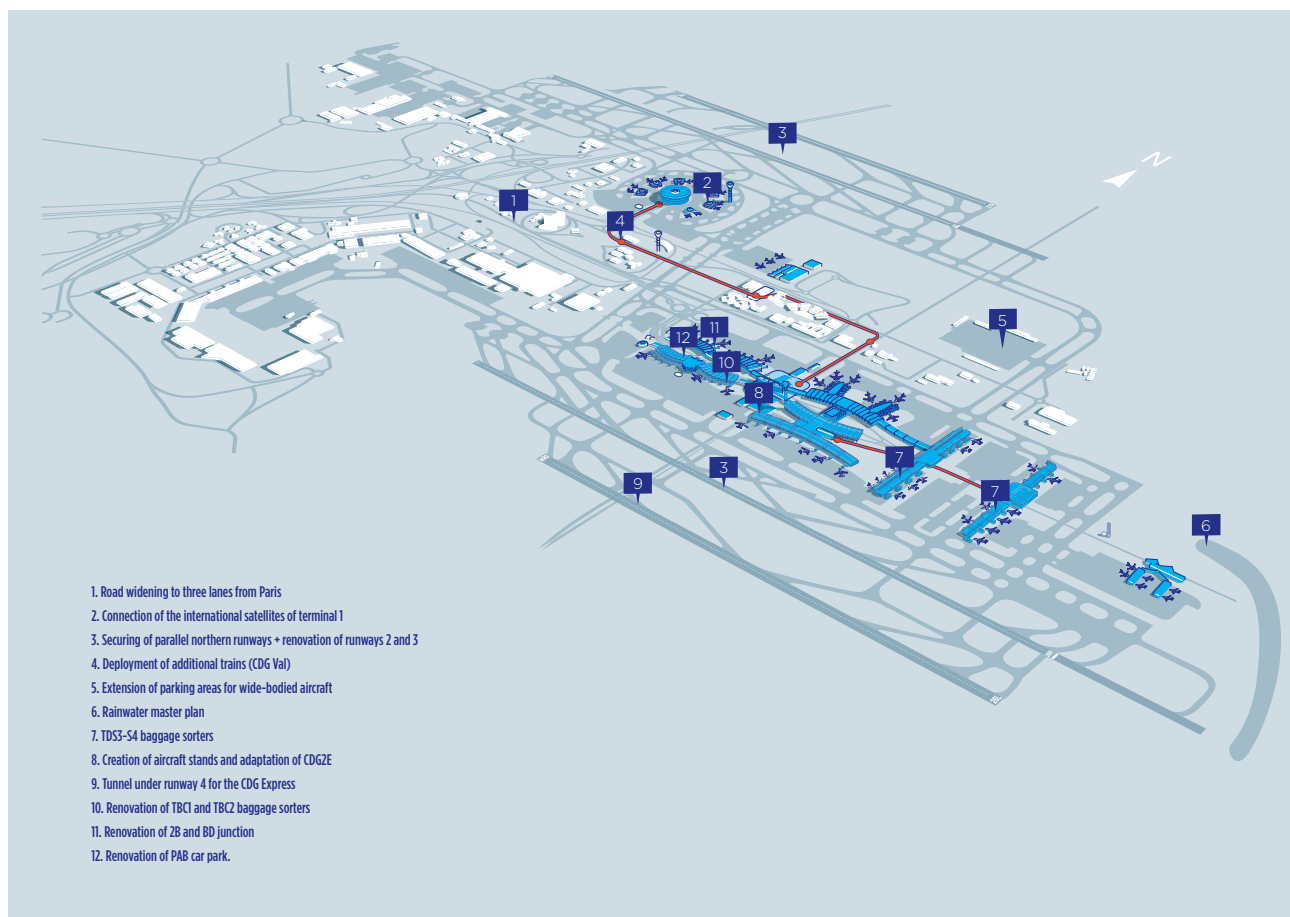
processes (single-security checkpoints, baggage delivery). This project will adapt the 2BD complex to the expected increase in international medium- and long-haul traffic by increasing capacity;

- ◇ 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).

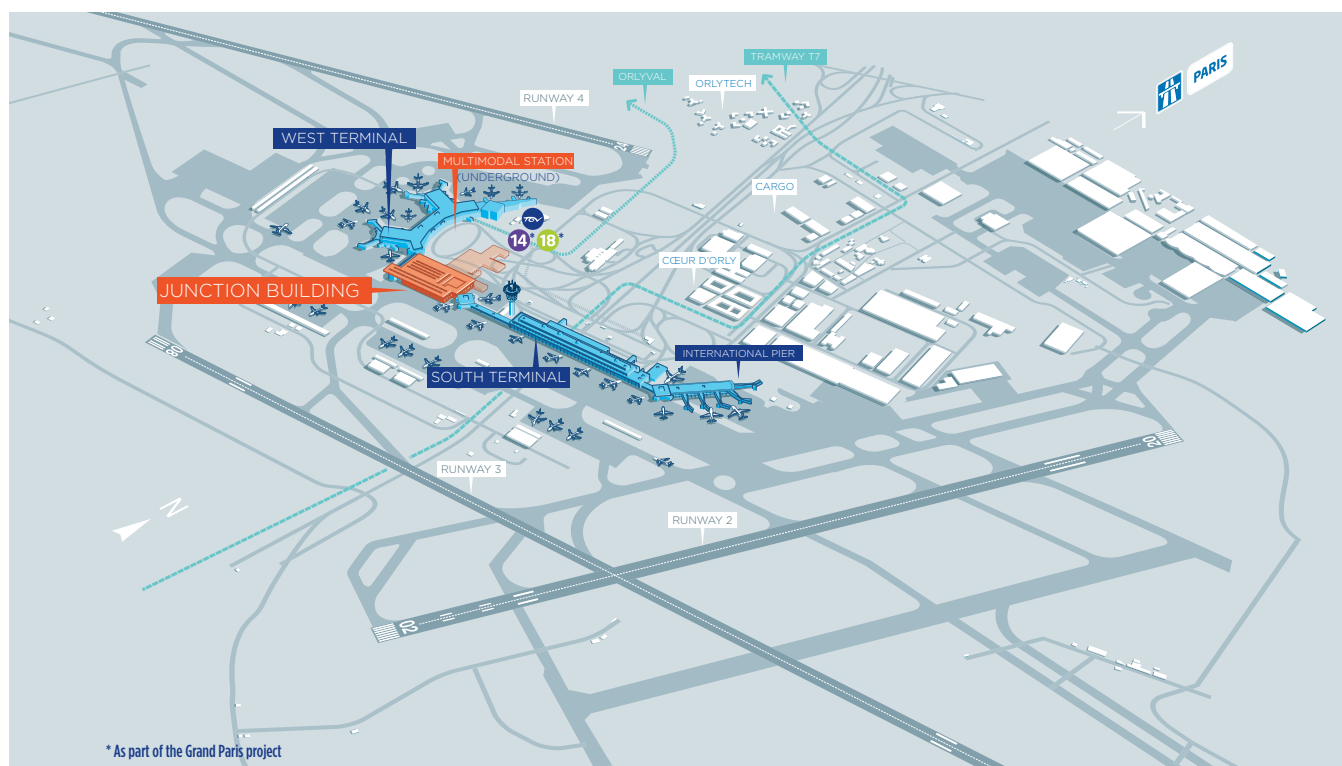
The main projects included in the proposed 2016-2020 investment programme for the regulated scope are shown in the map, below:



¹ Please refer to the paragraph in Chapter 5 entitled "Investments made by the Group over the last three financial years".

² Please refer to the paragraph in Chapter 5 entitled "Planned investment programme for Paris-Charles de Gaulle airport".

Paris-Orly



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General description

Paris-Orly is built on a 1,540 hectares sites to the south of Paris. Its location 10 kilometers 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 28,360 direct jobs¹, and is an integral part of an economic zone with over 157,400 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 served² 156 cities in 2017, 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 part of the Paris 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 2 passenger terminals that can accommodate up to 29 million passengers per year. Paris-Orly is the 2nd largest airport in

France and the 12th largest in Europe, with 32.0 million passengers in 2017, up 2.6% compared to 2016.

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, etc.), 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 six 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 2017, the work on the renovation of Paris-Orly airport was continued. New phases in the "Paris-Orly, a new departure" project were completed in 2017, with the start-up in March of the last phase 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 throughout 2017. Its gradual commissioning is planned as follows:

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

¹ 2016 data. Source: Utopies 2017 study.

² With a minimum of 12 movements during the year.

The new VIP pavilion was commissioned in March 2017. The airport also offers significant opportunities for real-estate development, the majority of which is diversification real estate.

Work on the extension of Hall 1 of the West terminal has started and will be completed in July 2018

Work on the redevelopment of the departure process of the South terminal has started. The main purpose of this project is to bring the luggage processing system up to international standards (called "Standard 3" in terms of security). The principal step of commissioning will take place in March 2020.

A suitable infrastructure

Runways

There are three runways at Paris-Orly with a scheduling capacity of 72 aircraft movements per hour. Runways 3 and 4 can accommodate A380s. In 2017, there were 229,027 aircraft movements at Paris-Orly airport. The airport has 71 aircraft parking stands, 56% of which are contact stands. The 2017 use of contact stands for departure was around 88.6%.

Nominal capacities of Paris-Orly terminals

At the end of 2017, the nominal capacity of the terminals was 29 million passengers. The projects for improving existing terminals (extension of the East Pier, extension of Hall 1, redesign of the international departure process of the South terminal of Paris-Orly) or creating new infrastructure (connecting building) aim at increasing the capacity of the Paris-Orly airport from April 2019 to 32.5 million passengers, while raising the service quality level.

<i>(in millions of passengers/year)</i>	In 2017	In 2006
South terminal	12.5	10.5
West terminal	16.5	16.5
TOTAL	29.0	27.0

Regulatory constraints

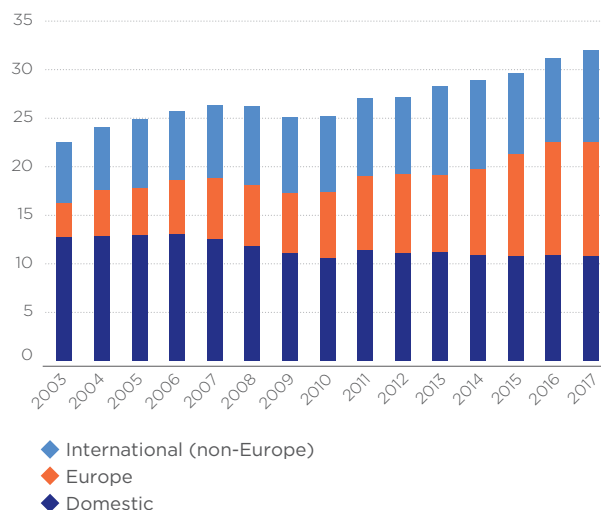
Traffic at Paris-Orly airport is subject to two regulatory constraints. An Order of the Ministry of Infrastructure, Transport and Tourism of 6 October 1994 limits the Paris-Orly airport to 250,000 aircraft movements (take off/landing) per year. In 2017, the number of aircraft movements was 229,027, down 2.3% compared with 2016. Moreover, since 1968 there has been a night-time curfew on the airport between 11.15 p.m. and 6.00 a.m. for take-offs and between 11.30 p.m. and 6.16 a.m. for landings

Traffic

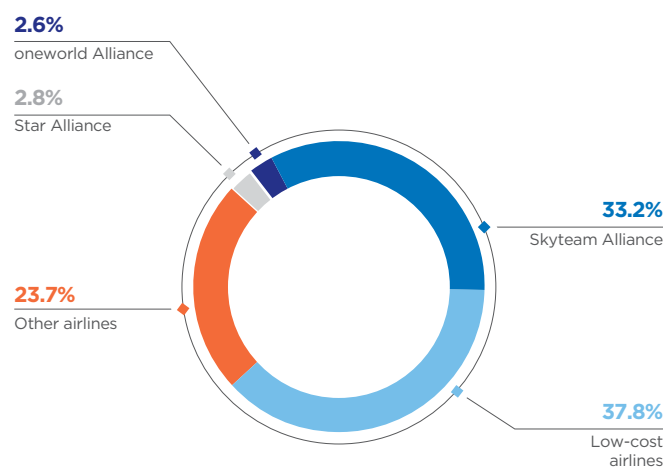
Paris-Orly airport's traffic is mainly origin/destination traffic. In 2017, however, connecting passengers accounted for about 6.8% of departing traffic, or more than 1.1 million passengers. Over the last seven years, passenger traffic at Paris-Orly has been steadily growing, with record passenger traffic 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. The South-Eastern LGV line was commissioned on 1 July 2017. This change has been accompanied by an increase of nearly 22.8% in the number of passengers per aircraft since 2009, with an average of 140 passengers in 2017, 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 2017



The main airlines operating out of Paris-Orly are Air France¹ (32.5% of the traffic), Transavia.com (14.7%), easyJet² (10.4%), Vueling (8.7%), and Aigle Azur (3.8%).

Access to the airport

The Paris-Orly airport is located at the junction of the A6 and A10 motorways and close to the motorway A 86. It is also served by an RER commuter railway line that links with Orlyval, a dedicated automated metro line.

Line 7 of the tramway was commissioned on 16 November 2013 and directly connects the airport and the future "Cœur d'Orly"³ business district to line 7 of the Paris metro. Phase 2 of the project (extension to Juvisy) is currently being studied.

¹ Air France-KLM, Hop!

² EasyJet Airlines Co and EasyJet Switzerland.

³ See the section on "Real estate activities" in this Chapter.

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 links: the extension of line 14 – linking the Paris-Orly airport to the capital, making a connection to Châtelet Station in the centre of Paris possible in 27 minutes in the future or to Saint Denis Pleyel in 40 minutes with an automatic metro and the new line 18 – linking Paris-Orly to the Plateau de Saclay and Versailles, then in the longer term to Nanterre. The airport will then be 30 minutes from Versailles (depending on the French government's ongoing arbitrations).

The Declarations of Public Utility (DUP) of lines 14 and 18 were obtained in July 2016 and March 2017, respectively. Preparatory work started in 2017.

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 14,553 parking spaces at Paris-Orly, 10,829 of which are car parks located close by and directly linked to the terminals.

Investment programme

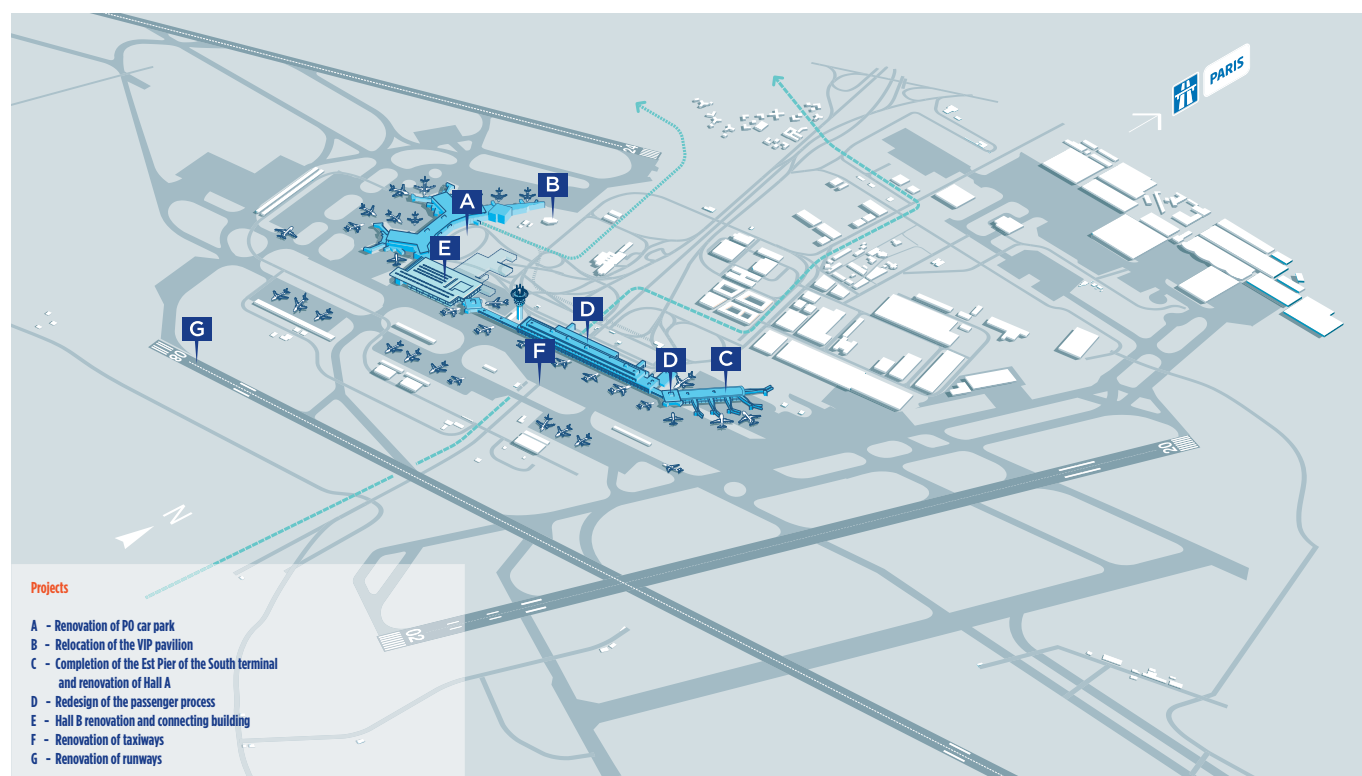
The investments made at the Paris-Orly airport in 2017 are described in chapter 5¹ including the continuation of construction work on the connection between the South and West terminals, the redesign of the international departure process of the South terminal of Paris-Orly, the extension of the Golf areas and compliance work on the LGN-LJS turn, the extension of Hall 1 of the West terminal and the second phase of renovation of runway 4.

The 2016-2020 projected investment programme for the regulated scope is outlined in chapter 5². It includes:

- ◆ completion of the "Paris-Orly Nouvel Envol" project, which began during the 2011-2015 ERA;
- ◆ renovation of runway 3.

In addition, the Paris-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:



¹ Please refer to the paragraph in Chapter 5 entitled "Investments made by the Group over the last three financial years"..

² Please refer to the paragraph in Chapter 5 entitled "Planned investment programme for Paris-Orly airport".

Paris-Le Bourget



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Description of the airport

Located 7 kilometres 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 fitting companies and aeronautical services. The 70 companies on the site provide 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 2017, the number of aircraft movements totalled 54,177, up 2.2% compared with 2016.

The airport has been involved in a massive modernisation and growth plan for many years. In 2017, the airport saw the continuation of its development plan with:

- ◆ preliminary studies for the establishment of the “Le Bourget Aéroport” station in the airport area, as part of the line 17 project of Grand Paris Express;
- ◆ completion of the studies for setting up a training centre for the aviation business with the objective of opening it in September 2017;
- ◆ 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, including Keybrid and Flight Safety. At the end of 2017, Groupe ADP and André Chenue (subsidiary of the Horus Finance group) signed a construction lease commitment and an off-plan lease commitment to set up an Art conservation centre at Paris-Le Bourget airport.

2017 was also the year of the 52nd edition of the International Air and Space Show, which welcomed 322,000 visitors.

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 are 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 10.15 pm and 6 00 am.

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 an 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 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 2017, Paris-Le Bourget airport maintained its position as Europe's leading business aviation company and continues to see growth in its traffic. The airport is therefore much ahead of its main competitors, Nice and Geneva, despite their growth. The Paris-Le Bourget airport continues to draw the main business aviation market players, which include companies and support companies (Signature Flight Support, Jetex, Universal Aviation, Advanced Air Support, Dassault Falcon Services and Unijet/SkyValet) and saw major international manufacturers (Dassault Falcon, Cessna and Embraer) install their main European facilities at Le Bourget. The Airbus Helicopters factory (helicopter blade manufacturing) was also commissioned in 2017 and a 5,000 sq.m. apprentice training centre for the aviation industry will open in September 2019.

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 2024. Diversification projects are already planned at Bourget, such as the 24,000 sq.m. Art conservation centre expected to open in 2019, which will allow major museums to benefit from a specialised venue offering large storage areas close to Paris, while art galleries and exhibitions in Paris will find a secure logistics hub in this state-of-the-art facility with easy access to runways and customs services.

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. 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. 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 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 Paris-Île de France region:

- ◆ Meaux-Esbly, covering 103 hectares. Aeronautic Club de France celebrated 120 years in 2017;
- ◆ Pontoise-Cormeilles-en-Vexin, covering 237 hectares;
- ◆ 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;
- ◆ Saint-Cyr-l'École, covering 75 hectares.

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

6.4 DESCRIPTION OF ACTIVITIES BY SEGMENT

Aviation

Aviation activities include all of the business activities carried out by Groupe ADP as the operator of the three main airports in the Paris region (see paragraph in chapter 6, "Description of platforms").

<i>(in millions of euros)</i>	2017	2016	2017/2016
Revenue	1,813	1,743	+4.0%
Airport fees	1,055	1,003	+5.2%
Ancillary fees	230	220	+4.6%
Revenue from airport safety and security services	487	480	+1.6%
Other income	40	40	-1.6%
EBITDA	551	488	+12.8%
Operating income from ordinary activities	272	186	+46.4%

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 2016, ROCE (return on capital employed, or retour sur capitaux employés) of regulated scope stood at 4.5%. Regulated¹ operating profit for 2016 stood at €342 million, €224.5 million after tax (tax rate of 34.43% in 2016) and the regulated asset base stood at €4,988 million as at 31 December 2016. 2017 data will be available in the 1st half of 2018.

Since 1st 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 Paris 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)²;
- ◆ retail businesses and services;
- ◆ land and real estate businesses not directly related to aviation activities or "real estate diversification" activities;
- ◆ management by Aéroports de Paris of noise reduction projects for local residents³;
- ◆ ground-handling service activities falling within the competitive field⁴;
- ◆ other activities engaged in by subsidiaries.

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

	2017	2016
Regulated operating profit	342	309
Regulated assets base ¹	4,988	5,058
REGULATED ROCE AFTER TAXES	4.5%	3.8%

¹ Including subventions.

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. This public service activity is also governed, with respect to fees, by the French Civil Aviation Code.

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 €653 million in 2017 compared with €619 million in 2016;
- ◆ 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 aircraft of more than 6 tonnes (which includes nearly all commercial aircraft). They are calculated according to the certified 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 €243 million in 2017 compared to €233 million in 2016;

¹ EBITDA - Other incomes and expenses - Depreciation and Amortisation of fixed assets and operating provisions - Losses on transfer of assets - employee profit-sharing. Reconciliation with the Company financial statements is presented in Appendix A8 of the Economic Regulation Contract 2016-2020, available at www.groupeadp.fr, in the Finances section under Regulation.

² Please also refer to the paragraph in Chapter 6 entitled "Security".

³ Please also refer to the paragraph in Chapter 17 "Environmental data".

⁴ Please refer to the paragraph in Chapter 6 on "Ground-handling activities".

- ◇ 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, remote areas or garage area. It is collected for aircraft weighing more than 6 tonnes. Revenue from parking fees amounted to €159 million in 2017 compared with €151 million in 2016.

The landing fee, parking fee and passenger fee are presented as revenue in the consolidated financial statements under the item "airport fees" (see chapter 9). Airport fees for 2017 stood at €1,055 million (€1,003 million in 2016), accounting for 34.0% of Groupe ADP's revenue⁵.

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 €84 million in 2017;
- ◇ 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 2017;
- ◇ 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 service is provided by air carriers *via* their ground-handling services, as applicable. Income from this fee amounted to €24 million in 2017;
- ◇ 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), and its energy requirement category, depending on 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 increases to the fees for assisting disabled and mobility-impaired persons at Paris-Orly and Paris-Charles de Gaulle are uncapped. They amounted to €60 million in 2017.

The income from these fees is presented as revenue in the consolidated financial statements under the item "Ancillary fees". The fees amounted to €230 million in 2017 (€220 million in 2016), which represented 6.4% of Groupe ADP's revenue¹.

2016-2020 Economic Regulation Agreement

The ERA covering the five year 2016-2020 period was signed by the French government and Aéroports de Paris on 31 August 2015. The document is available at www.groupeadp.fr. The ERA applies to tariffs from 1st 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 the regions. To meet this challenge, Aéroports de Paris will bring to bear all the means of leverage at its disposal: an 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, the French Transport Ministry and to 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 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.

¹ Before intersegment eliminations.

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 INSEE, 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% of 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 selected, five of which are availability indicators and two are 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 power supply,
 - ◆ 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 higher level targets 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.

06

The INV1 factor is the adjustment factor linked to the major investments 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" correspond to the following completion dates:

2016-2020 ERA targets:

- ◆ extension of the Paris-Orly East Pier: 2nd quarter 2016;
- ◆ refurbishment of runway 4 at Paris-Orly: 4th quarter 2017¹;
- ◆ "Paris-Orly Nouvel Envol" (new departure) link: 1st quarter 2018;
- ◆ luggage sorters in Hall L (TDS3) Paris-Charles de Gaulle: 2nd quarter 2018 ;
- ◆ first phase of the refurbishment of runway 3 at Paris-Orly: 3rd quarter 2018;
- ◆ connecting of Terminals B and D at Paris-Charles de Gaulle: 2nd quarter 2019;
- ◆ connecting of the Terminal 1 satellites at Paris-Charles de Gaulle: 2nd quarter 2019.

¹ The refurbishment of runway 4 at Paris-Orly aimed at opening during the 4th quarter of 2016. In order to minimise the impact of the capacity reduction linked to the closure of the runway, in consultation with the French government, it was decided to postpone the delivery deadline to Q4 2017.

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 2 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 operating costs

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

The cap on average changes in fee levels for the 2016 pricing period was set at the sole change in inflation (CPI 4018 E) 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% respectively¹.

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:

- ◆ variable pricing providing for an exemption from 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 reporting rates, with airlines giving at least 36 hours' notice at Paris-Orly airport.

For the 2017 pricing period

The basic cap rate corresponds to a 1.479% increase in the baseline tariffs (change in inflation between August 2015 and August 2016) with an uplift of 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.

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

- ◆ +0.97% at Paris-Charles de Gaulle and Paris-Orly airports;
- ◆ +2.5% at Paris-Le Bourget airport.

These changes were approved by ASI on 22 February 2017.

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).

¹ Please refer to the press release concerning the approval of the 2016 tariffs by the ASI available on www.groupeadp.fr.

It also consists of the simplification of the fee for providing 400 Hz electrical power infrastructures 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% index to the 2016 cap.

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

For the 2018 pricing period

The basic cap rate corresponds to a 2.125% increase in the 2018 baseline tariffs (change in inflation between August 2016 and August 2017) with an uplift of 1.25 points, to which the adjustment factors are applied:

- ◆ quality of service corresponding to a +0.1213% bonus;
- ◆ traffic: determined at 0%, the traffic generated being in the buffer zone of ERA's reference traffic;
- ◆ 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 2018 tariffs is therefore +2.249% compared to the 2017 baseline tariffs, i.e. +2.80% compared with the 2017 effective tariffs.

Aéroports de Paris submitted the following average annual fee changes for an opinion from the Consultative Economic Commissions and for the approval of the French government:

- ◆ 2.125% at Paris-Charles de Gaulle airports and Paris-Orly, for fees submitted to the ERA¹;
- ◆ 2.8% at Paris-Le Bourget airport.

For the 2018 pricing period, Aéroports de Paris retained a uniform change in percentage of the landing and parking fees per passenger.

In addition, Aéroports de Paris decided to renew all the pricing discounts as well as the calculation processes and the 2017 allocation conditions for the incentive measures for traffic growth and better infrastructure use. The 2018 cap on each of the three incentive measures was set at €5.16 million by applying a 2.125% index to the 2017 cap.

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, below 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 planned amount.

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, requiring the contract to be amended or terminated, they agree to seek an amicable agreement on the need for amendment or an early termination of the contract. In the event of an amicable agreement on an 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 stipulated 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 Prefect of police of Paris, assisted by a Deputy Prefect for the safety and security of airports 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

¹ Any change in the fees listed in Article III.2.1 of the CRE is subject to the ceiling provided for in Article III.2.3 of the CRE, with the exception of the fee for assistance to people with disabilities and reduced mobility.

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 are described in a safety programme established at each airport by Aéroports de Paris and submitted for information purposes to the Civil Aviation services. Security approvals will be issued to security programs for a maximum period of five years by the Deputy Prefect. For Paris-Le Bourget, the security programme was approved on 28 June 2017, 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.

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. These companies are selected by Aéroports de Paris on behalf of the French government, after a publicised and competitive procurement 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, 1 unit of traffic being equal to 1 passenger or 100 kilograms of cargo or mail being loaded or unloaded. 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.

Pursuant to the Order of 30 December 2009, based on Article 1609w of the French General Tax Code, setting forth the reporting procedures for airport operators for establishing the per-passenger airport tax, 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 2017 amounted to €487 million.

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 Paris¹ 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.

<i>(in millions of euros)</i>	2017	2016	2017/2016
Revenue	953	941	+1.2%
EBITDA	533	527	+1.0%
Share in associates and joint ventures from operating activities	3	1	+€2m
Operating income from ordinary activities (including operating activities of associates)	404	409	-1.2%

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.

¹ 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>	2017	2016	2017/2016
Revenue	953	941	+1.2%
Retail activities	459	449	+2.2%
Car parks and access roads	171	175	-2.1%
Industrial services revenue	134	133	+0.5%
Rental income	147	146	+0.5%
Other income	42	38	+11.4%

Rental income from retail activities

<i>(in millions of euros)</i>	2017	2016	2017/2016
Retail (rents)	459	449	+2.2%
Airside shops	303	299	+1.6%
Landside shops	19	18	+5.4%
Bars and restaurants	42	39	+10.2%
Advertising	50	50	-0.8%
Cash and foreign exchange	19	19	+1.3%
Car rental	14	14	+2.1%
Other	11	11	+0.2%

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 involves 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.

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" and which represent the areas with the best returns¹: Beauty (perfumes and cosmetics), Fashion & Accessories and Art of Living (gastronomy, confectionery, wines and

spirits). Aéroports de Paris has chosen to operate these businesses through Société de Distribution Aéroportuaire², which it co-owns with Lagardère Duty Free (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 fees. It is calculated as the total sales of airside shops divided by the number of departing passengers (50.7 million passengers at 31 December 2017).

<i>Sales/Pax (in euros)</i>	2017	2016	2017/2016
Duty Free zone	33.0	33.3	-0.8%
Duty Paid zone	7.1	7.1	-0.4%
TOTAL	18.2	18.2	+0.4%

BARS AND RESTAURANTS

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

Until 2015, the bars and restaurants were mainly operated by third parties, although Relay@ADP opened a first restaurant unit under the Kayser brand in December 2012. As of 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. At Paris-Orly, the bars and restaurant business is managed by several operators.

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

² Activity described in the paragraph Joint-ventures activities.

ADVERTISING

Advertising at Groupe ADP airports is managed by Média Aéroports de Paris SAS, a French simplified joint stock company created in June 2011 and 50% co-owned by Groupe ADP and 50% by JCDecaux 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 the Paris region.

An completely overhauled range was introduced in 2011, with the main aim of improving service quality and innovation, through new media, which are fewer in number but more modern (these were designed by Patrick Jouin, the internationally renowned designer, and include a substantial number of digital screens) and with richer and more diversified event-driven content. 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. 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...). Commercial income is based on airport revenues. 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 concessionaires: joint ventures held 50% by Aéroports de Paris and 50% by a specialist in the business in question, 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 end 2015. After a difficult 2016, marked by a sharp decline in tourism in Paris, the growth in Sales/Pax resumed in 2017, with a slight 0.4% increase, even if it was strongly penalised by a sharp decline in tobacco sales linked to the implementation of plain packaging in France. Luxury items, in particular, experienced extremely sustained growth in 2017.

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 2020¹, 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 including, 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). In 2017, several new brands enhanced our retail (Tiffany & Co, Moncler, Saint Laurent Paris) and restaurant (Yo Sushi!, Bellota bellota, etc.) portfolio.

Note that 46 new points of sale opened during 2017. In addition to these openings, many new temporary points of sale were 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 infrastructure projects have been delivered at the end of the 2016-2020*.

// CHANGE IN THE TOTAL AREA DEDICATED TO RETAIL:

(in thousands of sq.m.)	2017	2016
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	6
Bars and restaurants	22	21
TOTAL	58	57

2017 was stable in terms of the floor area of shops with a significant increase in bars and restaurants floor area. On the airside, the development of Hall K of Terminal 2E is offset by the commencement of renovation work on Hall L of Terminal 2E, which will continue until 2020.

¹ See the Strategy section in this Chapter.

Joint-ventures' activities

Groupe ADP receives income from the joint-ventures based on their turnover 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, 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).

(in millions of euros)	2017	2016	2017/2016
Revenue of joint ventures (100%)	866	808	+7,1%
<i>Société de Distribution Aéroportuaire</i>	721	689	+4,8%
<i>Relay@ADP</i>	83	73	+14,7%
<i>EPIGO</i>	61	47	+29,6%
Net income of joint ventures (100%)	5	3	+74,5%
<i>Société de Distribution Aéroportuaire</i>	5	7	-27,3%
<i>Relay@ADP</i>	6	3	+84,0%
<i>EPIGO</i>	(6)	(7)	+€1m

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 of Société de Distribution Aéroportuaire, 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, Groupe ADP 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 contracts 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 Travel Retail, 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 Société de Distribution Aéroportuaire 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 2017, Société de Distribution Aéroportuaire operated 149 stores over a total surface area of 23,834 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 2017, Relay@ADP managed 66 points of sale over a total area of 7,188 sq.m. across all terminals at Paris-Charles de Gaulle and Paris-Orly.

Strategy

The major strategic initiatives 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 EPIGO 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.

At end 2017, EPIGO managed 38 restaurants over a total surface area of 4,480 sq.m. across all terminals of Paris-Charles de Gaulle.

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 passenger 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 single telephone number 24/7 (3950) 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 1.3 million downloads) and is also evolving to help passengers:

- ◆ organise their journey and save time: thanks to the "My Travel Assistant" functionality, passengers can obtain all essential information from their point of departure to their boarding 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 and terminal services. The new parking module enables booking car parks at the airport as well as plane tickets and destination hotels;
- ◆ real-time information: passengers can access their flight information by scanning their boarding pass or a history of schedule searches; 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.

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 get to know and reward our 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 spaces bookable online as well as benefits from our partners (currency exchange and luggage services). The virtual loyalty card is accessible via the Paris Aéroport application. In October 2017, the *My Paris Aéroport* loyalty programme joined up with the Air France-KLM Flying Blue loyalty programme making it possible to convert the loyalty points earned into Flying Blue Miles.

Online shops

With close to ten new services bookable online, including some exclusive ones, Paris Aéroport has made a leap in the tourism sector in France and now offers all of its passengers, one of the largest ranges of airport services.

For travellers arriving in Paris: having booked his flight on the parisaeroport.fr site, the traveller can choose several options for his luggage (simple protection or follow-up using an RFID chip), a car park, if he comes with his vehicle, or even a hotel room at the airport, from Paris, it will be just as easy to rent a car but also book his hotel(s).

For travellers arriving in Paris: from their country of origin, they can book their flight using the Paris Aéroport app. or the website parisaeroport.fr, to leave the airport, they will have the choice between renting a car or finding the necessary information at the Tourist Information points to take public transport (Direct Bus, RATP bus, RER), they will be able to go to their hotel, also reserved with the Paris Aéroport app., to enjoy the best of Parisian culture, they will have the opportunity to book their tickets for the Chateau de Versailles, cruises on the Seine or some fifty odd museums or monuments with the Paris Museum Pass. To make sure you have not forgotten anything, all information is available on My Assistant, accessible from the website or the Paris Aéroport app.

Every month, the parisaeroport.fr website has nearly 1 million first-time visitors. Visits to the website using mobile devices has been increasing significantly every year and reached an average of 44% (+4 points over 2016), with peaks of over 50% during certain months of the year.

Reception

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

The actions taken to improve the quality of service, promote the customer culture and involve the airport community in these areas continued in 2016, led by the Université du Service (UDS). This included service forums with all of the terminal partners to embrace the service chain and quality objectives (bringing together companies, assistants, the French border police, etc.).

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

- ◆ the “Customer Attitude” project, whose purpose is to enable each employee to embody our *Paris vous aime* promise to 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.

Comfort

Groupe ADP facilitates access to the airports to and from Paris. With its new Bus Direct premium service, in association with Keolis, passengers now have access to a new fleet of 50 air-conditioned buses 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 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 play areas at Paris-Charles de Gaulle and Paris-Orly airports based on the Parisian square concept;
- ◆ 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 accomplished 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; two emblematic exhibitions took place this year: *Picasso Plein Soleil*, and the Marcel Duchamp Prize, which promoted French contemporary art to a large international audience.

Passengers can also go to the free mini-lounges to watch films and documentaries, listen to their favourite music with themed play lists or read the daily newspapers or magazines. Seven multimedia rooms have been installed in Paris-Orly's South terminal, in terminal 2G and satellite 4 and 3 of terminal 1, in hall M of terminal 2E as well as in the connection lounge Instant Paris located in hall L of terminal 2 at Paris-Charles de Gaulle airport.

In 2018, passengers will be able to see major sporting events with the football World Cup, Roland Garros, Tour de France and the Ryder Cup on the 11 sports corners screens and the giant screen of the free lounge for “Instant Paris” connections

Groupe ADP also launched “My Conciergerie” in February 2017:

My *Conciergerie* is an “à la carte” service, for departures, arrivals or connections; this premium service offers personalised support up to the aircraft door (luggage assistance, duty-free, passage through security checks, etc.) and in the passenger's language (including rare languages like Cantonese, Mandarin, Russian, etc.). In 2017, 20,000 passengers used and appreciated this service

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 documentaries, 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. Groupe ADP is reducing waiting times as follows: waiting 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.

Waiting for police check is a matter of concern. To limit the waiting time as much as possible, PARAFE (*Passage Automatisé Rapide des Frontières Extérieures* (Quick Automated Passage of External Borders)) was deployed this year in the terminals. The PARAFE 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, electronic passports and finger printing technology. In addition, testing of facial recognition technology proved conclusive. The Ministry of the Interior thus validated the system. This technology is scheduled to be deployed in 2018. The use of the PARAFE II system will enable the fulfillment 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>	2017	2016	2017/2016
Revenue	250	263	-4,8%
External revenue	208	211	-1,1%
Internal revenue	42	52	-19,6%
EBITDA	209	149	+€60m
Operating income from ordinary activities	161	104	+€57m

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, a density that is nevertheless still low in certain areas, and the medium and long-term reversion potential of land occupied, is an important driver for the creation of value for Groupe ADP.

Groupe ADP acts throughout the value chain to value the land:

- ◆ as both landowner and developer, Groupe ADP prepares the layout and servicing for land that it then makes available to investors or users, who pay rent;
- ◆ Groupe ADP also acts as a developer and 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 have been excluded from the regulated scope since 1 January 2011.

Groupe ADP provides real estate services to customers 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 represented around 58% of external revenue in 2017. Leases are mainly long term, thus limiting rental risk. At 31 December 2017, over 63% of leases by value had a maturity date of 9 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
Surfaces dedicated to real estate	444	866	1,310
Land reserves	77	334	411
Land used for ADP buildings	141	164	305
Land leased to third parties	226	368	594

Planned development projects are used for projects compatible with the urban planning rules in effect in the municipalities in question (SCOT, CDT, PLU, etc.) and must be included in the airport floor plan. Constructible land reserves make up 411 hectares and are directly available (55%) or consist of land subject to a number of constraints that limit their immediate use. These reserves are made up of land that is home to end-of-life activities and for which the land use may change in the short term (16%), land which has become expensive to development due to technical constraints or which is currently unattractive from the commercial point of view (10%) and land under constraint of aerial or radioelectric easements that limit its use (19%).

Other constraints may encumber the use of this available land immediately or in the future: application of the biodiversity law, modification of aviation easements, changes in the Group's master plan, etc.

Constructible land reserves decreased by 12 hectares in 2017 to 411 hectares compared to 423 hectares in 2016, mainly due to the

consumption of several plots for project development, floor area pre-emptions for aeronautical activities partially offset by changes of local planning requirements making certain plots constructible and the constitution of land reserves possible in the Orly Industrial area.

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. More than 50% of the land leased to third parties is linked to airport activities at Paris-Charles de Gaulle airport, 10% at Paris-Orly airport, and 50% at Paris-Le Bourget and general aviation airfields.

In 2017, the assets dedicated to real estate activities were valued at €2,826 million, of which €2,434 million in investment buildings as detailed in Note 6.3.2 of the Group's consolidated accounts. This valuation includes nearly €392 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.

¹ See chapter 20.

Leased buildings

Usable commercial space at the end of 2017 totalled 986,500 sq.m.. The occupancy rate is over 90%.

Leased surfaces break down as follows:

<i>(in thousands of sqm)</i>	Aeronautical	Diversification	Total
Rented places	513	474	987
Cargo buildings	194	6	200
Maintenance hangars	276	1	277
Business and logistics premises	16	94	110
Offices	9	136	145
Internal rentals	5	158	163
Other buildings	13	79	92

Real estate activity positioning

Groupe ADP has a leading 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 privileged geographic 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 Paris 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, Groupe ADP 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, shops, 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 business, 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 secure revenues over the long term. This ambition rests on a strategy of developing Airport Cities that consists of creating districts offering companies and their employees a good quality of life (ease of access, sustainable planning, high quality landscaped areas and a diverse range of shops and services, etc.).

The economic model for the real estate business 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 (manager and developer).

The manager business line is founded on a solid model with diversified asset classes (hotels, offices, shops, business and logistics) 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 external customers reveal a satisfaction rate of 80%.

Groupe ADP continues to pursue its strategy as an investor in the most profitable asset classes, particularly in the services (offices, hotels, shops), business and logistics sectors while pursuing an active policy to upgrade existing assets and acquire land adjacent to the airports to prepare for the future. After analysis of the projects, the choice of acting simply as developer remains possible if the investment operation proves to be insufficiently profitable or if a marked risk of obsolescence is identified or if the asset envisaged is too specific.

2017 was marked by the realisation of four projects as investor. It involves the acquisition of office buildings in the property complex of Dôme (18,560 sq.m.) located in the Roissy-Pole Est area of the Paris-Charles de Gaulle airport, the continuation of the construction of a 4 star hotel under the brand Inside by Melia (267 rooms) in the Roissy-Pole Ouest area of Paris-Charles de Gaulle airport, the January 2018 delivery of the entire Roméo business park (22,000 sq.m.) in the cargo area of Paris-Orly as well as the joint-investment project for the construction of an art conservation centre, LBG Arts, (24,800 sq.m.) located in the eastern section of the Paris-Le Bourget airport.

These projects illustrate the strengthening of Groupe ADP's position as investor in a context of land shortage, traffic growth, and with the arrival of the *Grand Paris Express* in the medium-term, which should improve the attractiveness of the area and land valuations.

The challenge over the next few years will be to invest in undeveloped land to preserve long-term growth capacity, and in land built on airport assets to expand the offering to customers. Thus, Groupe ADP aims to contribute to the creation or densification of its Airport Cities, by promoting its land through the conversion of highly obsolete industrial territories of old airport areas, the development of service offerings and the anticipation of accelerated land consumption, by focusing on densification and external offsets in biodiversity.

The new legal organisation for the real estate companies holding the assets adopted in 2016 was implemented in 2017 under an umbrella holding structure:

- ◆ one company specialised in services assets (offices, hotels); and
- ◆ one company specialised in industrial activities (business parks, courier services, cargo, logistics warehousing).

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

Aéroports de Paris has set a target of 10-15% growth in external rent over the 2014-2020 period, made possible by new developments, particularly as investor, 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.

The planned investments will be to the tune of a total of €800 million, of which €459 million (including subsidiaries and debts) as investor, €209 million for maintenance, servicing of assets and asset management policy, and €129 million as developer.

Breakdown of real estate projects as at 31 December 2017

Airport	Segment	ADP Role	Operator	Project	Opening	Floorspace (sq.m.)
CDG	Diversification	Developer	Sogafro/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
CDG	Diversification	Investor	Siège social	Offices	2017	17,100
CDG	Diversification	Investor	Divers	Warehouse	2017	1,000
ORY	Diversification	Developer	Vailog	Courier service	2017	17,800
ORY	Diversification	Developer	Groupe Auchan	Warehouse	2017	10,800
ORY	Diversification	Developer	Accor	Hotels	2017	7,600
ORY	Diversification	Developer	RSF	Employee residence	2017	3,700
CDG	Diversification	Investor	Divers	Dôme properties	2017	18,500
TOTAL PROJECTS COMMISSIONED AT THE END OF DECEMBER 2017						145,100
CDG	Diversification	Investor	Divers	Offices	2018	700
CDG	Diversification	Investor	Baïkal	Offices	2018	13,500
ORY	Diversification	Investor	Roméo	Offices and warehouses	2018	22,300
CDG	Diversification	Developer	Aélia	Warehouse	2018	6,000
CDG	Diversification	Developer	Holiday Inn	Hotel	2018	10,000
CDG	Diversification	Developer	Audi	Showroom	2018	4,600
ORY	Diversification	Developer	Bio C bon	Warehouse	2018	12,500
CDG	Aeronautical	Developer	FEDEX	Extension	2019	48,500
CDG	Diversification	Investor	Innside	Hotels	2019	11,400
Ongoing projects						129,500
ORY	Diversification	Developer	Grand frais	Warehouse	2019	2,000
LBG	Diversification	Investor	HEKA Chenue	Art facility	2019	24,800
CDG	Diversification	Developer	Moxxy	Hotels	2019	8,100
ORY	Diversification	Developer	Ibis styles	Hotels	2019	7,900
ORY	Diversification	Investor	B2 Belaïa	Offices	2019	24,500
CDG	Diversification	Developer	VW	Concession	2019	2,200
ORY	Diversification	Developer	Loxam	Divers	2019	500
CDG	Aeronautical	Investor	SC4	Offices and warehouses	2020	22,000
Total ongoing projects - building permit obtained or under instruction (delivery by 2020)						90,500

Real estate activity at the Paris-Charles de Gaulle airport

The Paris-Charles de Gaulle airport real estate consists mainly of buildings assigned to cargo or maintenance and service activities connected with the development of the Airport City Roissy-pole.

Cargo

The Cargo City of Paris-Charles de Gaulle, the largest in Europe with 300 hectares dedicated to cargo, hosts 12 of the sector's 14 leading operators in the world, and had a record occupancy rate of 98% of the cargo operating area at 31 December 2017.

The cargo real estate 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. In June 2017, the Cargo business of the Paris-Charles de Gaulle Airport was marked by the extension of agreements with FEDEX on Cargo City until 2048, and the launch of the "Extension 2" project for 47,000 sq.m. (opening scheduled in 2019). These agreements confirm that Paris-Charles de Gaulle is maintaining and developing its position in express cargo at the airport and its dynamism in air cargo against competition from the other major European hubs;
- ◇ 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 cargo courier services,
- ◆ Groupe ADP's continued development of investments in new leading assets dedicated to cargo operators, with the completion of studies prior to the launch of a new 22,000 sq.m. cargo courier service in 2018 connected to the runways and already pre-marketed at 70% as of 31 December 2017,
- ◆ renovation and increased density of Cargo City and optimisation of the operating processes, including by securing access to Cargo City and setting up new services for our customers.

Services

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

- ◆ the development of the Airport City in the Roissypole business district, the first in the world, which now includes around 247,000 sq.m. of offices and 2,796 hotel rooms. 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., the entire property complex of the Dôme with the acquisition of four additional buildings at end 2017 totaling 18,560 sq.m., and the complex comprising the new head office of Aéroports de Paris totaling 12,000 sq.m. and the "*Maison de l'environnement*" totaling 5,200 sq.m., the delivery of which took place in March 2017 and in the near future, the Baïkal building totaling 12,900 sq.m. (2018);
- ◆ the opening of a Holiday Inn Express (305 rooms) in January 2018 in the Roissypole Ouest area of Paris-Charles de Gaulle airport or even the launch of Moxxy, the 292 room 3 star hotel project (delivery in 2019) will make it possible to diversify and improve the quality of the hotel offering at the airport by enhancing the range through the establishment of groups with innovative concepts.

Finally, in early 2017, construction began on a 267 room 4 star hotel under the brand Inside by Melia (delivery in the first quarter of 2019) established in the western area of the Roissypole business district, at the heart of Paris-Charles de Gaulle airport and in the immediate vicinity of its terminals. In accordance with its new real estate goals, Groupe ADP, designer of airport cities, is for the first time an investor in a hotel project in a public area, in addition to being a developer. Thus, with 864 additional rooms created in Roissypole Ouest, the accommodation capacity of the airport will increase from over 2,800 rooms in 2017 to over 3,700 rooms by 2019;

- ◆ 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 a Drive, a 12-screen multiplex cinema, 28 restaurants, 200 shops and 4,000 parking spaces;
- ◆ Groupe ADP is continuing the development of a premium branded automotive village with a 2,150 sq.m. Volkswagen car dealership on an 8,700 sq.m. plot (delivery in autumn 2019) in the immediate vicinity of the Aéroville shopping center and the future Audi showroom (delivery in 2018). This facility proves the Group's capacity to attract new players to the Paris-Charles de Gaulle airport and confirm the diversification of the service offer made to airport passengers and employees, the development of which should extend over the next few years to continue to increase the appeal of Paris-Charles de Gaulle airport.

Real estate activity at the Paris-Orly airport

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

The Paris-Orly airport is also developing a full range of diversified assets on all its land reserves for service activities and for logistics and courier businesses, 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.

The airport also has abundant free land, inherited from the history of the airport and land to be recovered at the rate of the industrial reconversion of the former airport areas within the airport or on its fringes.

A precursor to the airport city, the first to move in will be a hotel centre of 35,000 sq.m., which was completed in 2016-2017, developed by the Accor Group including a Novotel, an Ibis Budget and an extension to the existing Ibis (410 additional rooms in all). The commencement of the refurbishment of the Mercure Hotel and the building of a new Ibis Styles in the Orlytech district (200 rooms) planned for delivery in 2019, will meet the need for hotel development around the Paris-Orly airport. Groupe ADP is also a 50% co-investor in the Cœur d'Orly office and retail project, alongside the Altarea/Foncière des Régions group. Designed by architect Jean-Michel Wilmotte, the first office building, Askia (19,500 sq.m.), was delivered in 2015. It meets the NF-Bâtiments tertiaires HQE®, BBC-effinergie® and BREEAM® energy efficiency standards. It is connected to the existing geothermal network used by the airport. Following the commercialisation of Askia, the launch of a second office building in Cœur d'Orly, the Belaïa (22,000 sq.m.) is planned for early 2018 with an estimated delivery at the end of 2019. The Cœur d'Orly gateway, commissioned in summer 2017, links the South terminal of the Paris-Orly airport to the Cœur d'Orly business district. It also links with the future airport station, which should accommodate the Grand Paris subway lines 14 and 18 in 2024.

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 complete delivery of the Roméo programme in 2018, fully invested by Groupe ADP, located at the heart of Paris-Orly airport in the cargo area will offer 22,000 sq.m. of floor area including 17,500 sq.m. of warehouses and stores and 4,500 sq.m. of office space, as well as 224 parking spaces. The cargo area is divided into nine modules and will have a direct connection to the airside areas via a corridor which remains to be built. A cross-dock with lorry docks on the landside and direct street-level access will provide access to the airside area.

For the Tivano park in the southeast corner of the Paris-Orly airport, the commissioning of a cold-chain logistics building (10,800 sq.m.) for the Auchan group in 2018 and the launch of an industrial building and storage (12,500 sq.m.) for BioC'Bon (commissioned in 2018) confirm the strong demand from the agri-food sector. These projects will be complemented with the availability of the land currently earmarked for retail activities for the general public.

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. At the end of 2017, four buildings were fully renovated and two additional buildings will be for delivery in 2018. This project is accompanied by the qualitative redesign of the buildings' surroundings (repair of public roads and street lighting, urban development, fencing, vehicle charging stations, etc.) and planning for the development of this services zone in the medium-term.

Real estate business at the Paris-Le Bourget airport

Groupe ADP has significant areas available for development to the South of Paris-Le Bourget airport. The feasibility study for a real estate complex, serviced by line 17 of the Grand Paris subway, including the renovated air museum, a recreational centre, services and retail, hotels and service industries, was carried out in 2016. As of today, the project is delayed considering the complexity of the legal arrangements and financing of the future museum.

In the southern sector of the airport, Groupe ADP, which owns 46 hectares of the Paris-Le Bourget exhibition park, reached an agreement in December 2016 with the International Air and Space Show, the current occupant, to extend the lease agreement of the site for a period of 30 years from 2025. This agreement was made possible by obtaining the Olympic and Paralympic Games in 2024 and hosting the media centre on the site.

A technical feasibility study for the development of the land reserve located on the northwest side of Paris-Le Bourget airport in the municipality of Bonneuil (approximately 30 hectares) was carried out in 2017 (creation of a business park). Half of it will be used for real estate

diversification projects, and the other half will be dedicated to the airport's aviation business.

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

Groupe ADP, as developer of the land, co-investor and co-operator, and André Chenue (subsidiary of the Horus Finance group), as co-investor and co-operator, signed a construction lease commitment and an off-plan lease commitment for setting up an art conservation centre covering a surface area of 24,800 sq.m. located in the eastern part of the Paris-Le Bourget airport. As developer of the airport city, Groupe ADP thus enhances its land reserves and confirms its major involvement in the development of the Paris region airport system, creating wealth and jobs for the region.

In addition, development feasibility studies were carried out between 2015 and 2017 on the General Aviation airfields of Saint-Cyr-l'École and Lognes. These made it possible to propose a programme for these sites. A 12 hectare mixed activities/housing (300 dwellings) district is to be developed for St. Cyr. A 30 hectares business district is to be constructed in Lognes, after modification of aviation easements. For this last project, a partnership agreement was signed with local authorities and partners.

International and airport development

The "International and airport developments" segment consists of the businesses within Aéroports de Paris' subsidiaries and holdings that operate airport management and engineering activities. Created in 2012 and renamed in 2014, this segment includes ADP International (formerly Aéroports de Paris Management), ADP Ingénierie, and the holdings in Schiphol Group and TAV Airports. The stake in TAV Construction was sold in July 2017.

(in millions of euros)	Revenue		EBITDA		Operating income from ordinary activities (including operating activities of associates)	
	2017	2017/2016	2017	2017/2016	2017	2017/2016
ADP International	15	-€8 M	(12)	-€12M	(39)	-€43 M
ADP Ingénierie	52	-€23 M	(12)	-€17M	(13)	-€18 M
TAV Airports ¹	616	+€616 M	280	+€280M	219	+€220 M
TAV Construction ^{2 3}	-	N/A	0	-	12	+€78 M
Schiphol Group ²	-	N/A	-	N/A	19	-€7 M
Others	-	N/A	(4)	-€2m	(12)	-€8 M
TOTAL	682	+ €585 M	252	+€249 M	186	+€235 M

¹ Consolidation of TAV Airports from 1 July 2017 – see chapter 9, "Highlights of the 2017 financial year".

² Associate.

³ Disposal of the interest in TAV Construction on 20 July 2017.

Management of international activities with ADP International

In 2017, Groupe ADP brought together the management of international activities under ADP International, with its 100% owned subsidiary, ADP Ingénierie. ADP International, a wholly-owned subsidiary of Aéroports de Paris is responsible for the entire international scope of Groupe ADP, including monitoring the interest in TAV Airports and Schiphol Group. Its ambition is to deploy all the expertise and innovations of Groupe ADP, which serves over 228 million passengers¹ and 26 airports worldwide.

The Group's three main international businesses are now under the same management: investments, airport operations and engineering-innovation.

ADP International will benefit from the support of a strong local network, thanks to the three regional offices: in Istanbul for the Africa and Middle East Region, in New York for the Americas Region and in Hong Kong for

the Asian Region. A reinforcement of the dedicated international teams supports this change.

The objective of this new organisation is to deploy an integrated offer and reinforced sectorial expertise, with greater proximity to customers. It will provide an essential source of growth in order to achieve the value creation objectives set out in Groupe ADP's strategic plan, Connect 2020.

ADP International (formerly Aéroports de Paris Management)

Wholly-owned by Aéroports de Paris, ADP International's activity is airport management and equity investment in airport companies outside Paris. The equity stakes held by ADP International 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 the

¹ Calculation taking into account TAV Airports traffic at 100% in 2017.

8th European airport for cargo traffic. ADP International has specific rights via partnership agreements. ADP International renewed these agreements for a 15 years term in 2015;

- ◆ Guinea: a 29% stake in the Guinean company Société Guinéenne de Gestion et d'Exploitation de l'Aéroport de Conakry (SOGEC), in addition to a technical support contract for the management of the airport that is valid until November 2018. ADP International is assisting SOGEC with work to upgrade its facilities. The airport welcomed 0.5 million passengers in 2017, an increase of 23.8%;
- ◆ Saudi Arabia: a 5% stake in the Saudi company Matar since 2007, whose corporate purpose is to carry out the operation and maintenance of the Hajj terminal at Jeddah airport, which receives religious traffic. At the same time, ADP International signed a technical support contract with the Hajj terminal operator in 2007. The contract was renewed in December 2017 for a period of one year until 31 December 2018. The Hajj terminal welcomed 7.9 million passengers in 2017, a slight increase of 2.9% compared with 2016;
- ◆ 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 years 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. ADP International 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 7.9 million passengers in 2017, an increase of 6.8%; Groupe ADP signed on 22 December a contract to take exclusive control on Airport International Group ("AIG"), concessionaire of Queen Alia International airport, Amman;
- ◆ 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 years 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. ADP International 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 3.7 million passengers in 2017, an increase of 5.4% compared with 2016;
- ◆ Croatia: the consortium ZAIC-A Ltd, the sole shareholder of the company holding the concession, MZLZ (Međunarodna Zračna Luka Zagreb d.d.), joining forces with Aéroports de Paris Management (20.8% of the share 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 Zagreb airport. The financing agreements were signed on 4 December 2013. The project was 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. ADP International, in partnership with TAV Airports, will provide technical assistance for the entire airport for 30 years. The airport welcomed 3.1 million passengers in 2017, an increase of 11.8%;
- ◆ Chile: Sociedad Concesionaria Nuevo Pudahuel, a company under Chilean law in which ADP International, VINCI Airports and Astaldi hold respective stakes of 45%, 40% and 15%; the concession for Santiago International airport was assigned for a 20 years 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. ADP International provides technical support to the company holding the concession via a technical support contract valid until 2035. The airport welcomed 21.4 million passengers in 2017, an increase of 11.6% compared with 2016, almost half of which were international passengers;

- ◆ Madagascar: since November 2016, ADP International has had a 35% stake in the Madagascar-registered company Ravinala Airports which has the concession to operate the Antananarivo and Nosy Be airports. These airports welcomed 1.1 millions passengers in 2017;

ADP International 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. ADP International will maintain a technical assistance contract for a period of two years until end 2018.

ADP Ingénierie Presentation

ADP Ingénierie a global leader in airport design, is a wholly owned subsidiary of ADP International. Its core activity is designing and undertaking international development and infrastructure projects, in the airport sector. 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 accompanies customers throughout the airport life cycle:

- ◆ 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 130 countries and more than 17 years experience and it currently manages about 100 projects.

The company primarily works with international customers: over 85% of its revenue is from outside France. It has branches in the Middle East, Africa, Latin America and Asia. The company's restructuring carried out in 2017 has strengthened the presence in Asia with the creation of an Asia-Oceania business unit, which is gaining momentum by building on the existing Hong Kong office. In France, activity is primarily focused on advanced airport expertise in systems, planning and the management of complex flows. At end December 2017, approx. 400 employees were deployed in 16 countries.

At the end of 2017, ADP Ingénierie's backlog amounted to €61 million. Order intake accelerated in 2017, especially in the second half of the year. Asia and Africa account for most of this increase.

Main projects underway in 2017

ARCHITECTURE AND MEGA TERMINALS

◇ Asia-Oceania:

- ◆ Nepal: Tribhuvan international airport, Kathmandu: continuation of the contract for designing the new international terminal (95,000 sq.m., 4 to 7.5 million passengers) and transforming the current international terminal into the domestic terminal), designing the extension of the cargo terminal, maintenance hangars, VVIP building, and the entire landside and airside infrastructure;
- ◆ Thailand: Suvarnabhumi International airport, Bangkok. Designing the 3rd runway and taxiways and related equipment;
- ◆ China: Beijing International airport. ADP Ingénierie is entrusted with a simulation study of flows of all types, with the airport facing increasing saturation;
- ◆ Indonesia: Yogyakarta airport. ADP Ingénierie was chosen by Virama Karya (VK), Indonesian design office, to assist it in its project to design the main facilities of the future Yogyakarta International airport for which it is in charge. The aim is to bring our airport expertise to challenge VK's proposals in the form of a terminal design review.

◇ Central Asia – East Africa – Middle East:

- ◆ Bahrain: Manama International airport. ADP Ingénierie continues its mission as designer of the new airport with a supervisory role now to oversee the ongoing construction;
- ◆ Ras Al Khaimah airport: after the architectural design contract for the extension of the existing terminal and the VVIP pavilion in 2016, ADP Ingénierie was entrusted with a study mission for the refurbishment of airport pavements in 2017;
- ◆ 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 delivered on 11 May 2016, a new contract was concluded for the design of a second runway and technical buildings, ADP Ingénierie was entrusted with the design of the refurbishment of passenger terminals 1B, 1C and 1D (capacity of 7.8 million passengers, for a total capacity of 10.3 million with 1A not refurbished).

◇ Europe – Maghreb – French-speaking Africa - Americas:

- ◆ Benin: new airport of Cotonou in Glo Djigbe. Delegated project management. Estimated capacity of 2.5 million passengers;
- ◆ Zanzibar: Abeid Amani Karume International airport. Revival of the contract for the supervision of construction work on terminal 2;
- ◆ Chile: Comodoro Arturo Merino Benítez airport. Continued commitment to the Groupe ADP/Vinci Construction/Astaldi consortium for the construction of terminal 2 and refurbishment of the existing terminal and the aeronautical infrastructure. Estimated capacity of 30 million passengers;
- ◆ Haïti: Toussaint Louverture International airport (Port-au-Prince). Supervision of the renovation of the airport's runway, financed by BID;
- ◆ Panama: Tocumen International airport, Panama city. Continuation of the project of supervision of the work on the new terminal.

STRATEGIC PLANNING OFFERING

◇ Asia-Oceania:

- ◆ Vietnam: Tan Son Nhat International airport, Ho Chi Minh city. Study of the capacity for extension of the existing airport. Its current traffic of approx. 36 million passengers has seen growth of more than 20%;
- ◆ Taiwan: Matsu Islands airports. New airport security studies and optimisation feasibility study of the existing airport.

◇ Central Asia – East Africa – Middle East:

- ◆ Mozambique: ADP Ingénierie received ADM's (*Aéroports du Mozambique*) provisional allocation to implement the master plans of the country's first 5 airports following a very competitive international invitation to tender.

◇ Europe – Maghreb – Americas:

- ◆ Botswana: Francistown International airport. ADP Ingénierie participated in creating the master plan of the airport to organise the planning of the airport space over the next 30 years;
- ◆ Luxembourg: Luxembourg International airport. Study the extension of the passenger terminal. The contract relates to a program mission and APS for the extension of the luggage sorting and terminal system;
- ◆ Cuba: T2 and T3 for Havana airport.

SYNERGIES WITH GROUPE ADP

- ◇ At Paris-Orly: after having implemented the CCTP maintenance as part of a first contract related to the project for the compliance of luggage sorting with the safety regulation in the South Orly terminal, ADP Ingénierie was entrusted with the follow-up of the preparation for the maintenance of the STB lot.

◇ At Paris-Charles de Gaulle:

- ◆ continued supervision of the deployment of the BHS systems of satellites S3 and S4;
- ◆ continuation of the studies carried out, transition to the supervision phase of works for the renovation of terminal 2B and creation of the BD link.

◇ Building Information Modelling (BIM):

- ◆ many assignments to provide technical assistance and modelling of future and/or existing buildings.

◇ Promotion and integration of the use of drones developed by Groupe ADP's Innovation Hub for airport activities.

◇ Promotion and integration of drone detection and neutralisation systems, with Groupe ADP's Innovation Hub.

Strategy: ADP Ingénierie, airport expert, 360° natural long-term partner of its customers

ADP INGÉNIERIE REORGANISED ITSELF IN 2017 TO BE CLOSER TO ITS CUSTOMERS

ADP Ingénierie carries out audit, design, supervision and advisory tasks on all types of airport infrastructure. It aims to support customers throughout the airport value chain.

To this effect, while continuing the geographical re-balancing of its customer portfolio started in 2016, ADP Ingénierie is transforming its organisation and range of services in line with its five year development strategy.

GREATER GEOGRAPHICAL AND CULTURAL PROXIMITY TO CUSTOMERS

Although already present in 16 countries worldwide, particularly with a major branch in Dubai, ADP Ingénierie has reviewed its organisation to be closer to its customers by creating three Business Units bringing together all of the company's operations:

- ◇ Europe, Maghreb, West Africa and Americas for the business unit headquartered in Paris;
- ◇ Middle East, Central Asia and East Africa for the business unit headquartered in Dubai;
- ◇ Asia and Oceania for the business unit headquartered in Hong Kong.

Whereas the first two already have their workforce, the latter, born from the transformation of a sales office, continues to ramp up.

This geographical proximity allows the company to understand its potential and current customers, their needs, the economic and cultural aspects that characterise them better and respond more quickly and effectively to their requests. ADP Ingénierie is renowned for designing airport projects in close liaison with the characteristics of the country in question, beyond meeting the immediate needs of the customer.

A DESIRE TO BE PART OF A LONG-TERM PARTNERSHIP WITH CUSTOMERS

360° expert, only 100% airport player in the market, rich in experience from its affiliation to Groupe ADP, one of the leading airport operators, and boasting more than 700 achievements across the world, ADP Ingénierie aims to be the long-term partner of its customers.

It also offers to support them throughout the airport life cycle: from help in defining needs, anticipating the next phase of development through project design, site supervision and audit and consultancy in the operating phase.

A RENEWED SERVICE OFFER

To do so, ADP Ingénierie has adapted to the changing requirements of increasingly demanding customers, while competition has increased, both in numbers and competitiveness.

Thus, the Company has renewed its service offer, offering aggregates of expertise to provide the most appropriate and detailed responses to customers.

Their commercialisation began in the second half of 2017 and was immediately very well received: the "simulation flow" offer attracted the attention of Beijing Airport management and that of maintenance engineering at Paris-Orly airport as part of the South Terminal renovation project. Other offers are currently the subject of service requests.

TECHNOLOGICAL INNOVATION

ADP Ingénierie invited its employees and visitors to its stand at the *Dubai Airshow* in November 2017 to experience virtual reality (VR). It was based on the 3D modelling of several projects: hangar, control tower.

The very positive feedback triggered a study of the added value that the introduction of VR into projects would generate for customers. The VR modelling of the Bahrain Regional Air Traffic Control Centre project was launched in late 2017 to be presented to the customer in February 2018.

TAV Airports

On 7 July 2017, Aéroports de Paris SA, parent company of Groupe ADP, acquired through its subsidiary Tank ÖWA alpha GmbH, 100% of the shares. Today, Groupe ADP holds 46.12% of the capital of TAV Airports (compared with 38% previously) which has been fully consolidated in Groupe ADP's accounts since 7 July 2017 of Akfen Holding in TAV Havalimanları Holding A.Ş. ("TAVHavalimanları Holding" ou "TAV/Airports") equivalent to 8.12% of TAV Airports' shares for an amount of \$160 million. Groupe ADP now owns 46.12% of TAV Airports' capital (as opposed to

38% previously), which has been fully consolidated in ADP's financial statements since the second half of 2017.

Description of TAV Airports

TAV Airports is a leading airport operator in Turkey. It operates 17 airports and directly manages 16 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 ADP International. In 2017, the 50-50 consortium formed by TAV Airports and Al Rajhi Holding Group signed agreements to develop and operate in the airports of Qassim, Hail and Yanbu International airport in Saudi Arabia for 30 years. TAV Airports also manage the commercial areas at Riga international airport in Latvia. TAV Airports traffic increased by 9.8% in 2017, to 115 million passengers. TAV Airports' main airport, Atatürk, is Europe's 5th largest airport, with 63.7 million passengers in 2017, down 5.5%. Through its subsidiaries, TAV Airports is also an operator in other airport service areas, like duty free, catering, ground-handling, IT, security and operating 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.

TAV Airports 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;
- ◆ six main subsidiaries in the services:
- ◆ 6 subsidiaries in services:
 - ◆ ATU, specialising in duty free, 50% owned. It is a world leader in duty-free retailing;
 - ◆ BTA, specialising in food service and wholly owned since November 2017. It offers restaurant services in 16 airports across 8 countries as well as maritime and urban facilities;
 - ◆ Havas, a wholly owned ground handling company, operating in Eastern Europe, Russia, the Arabian Peninsula and Africa.
- ◆ BTA, which specialises in catering and has been wholly-owned since November 2017; Havas, a ground-handling company, which is wholly-owned;
- ◆ TAV O&M, which manages airport lounges and VIP services at wholly-owned airports,
- ◆ TAV Technologies, which manages airport IT systems, and TAV Security, which provides security services and is wholly-owned.

TAV Airports' revenue of €1,139 million in 2017 (up 2%), its EBITDA was €481 million (up 15%) and net income of €185 million (up 55%).

Governance

At 31 December 2017, TAV Airports' shareholder structure was as follows:

Shareholders	% of capital
Groupe Aéroports de Paris ¹	46.1%
Tepe Insaat Sanayi A.Ş.	5.1%
Sera Yapı Endüstrisi ve Ticaret A.Ş.	1.3%
Other flotting securities	3.2%
Free float	44.3%

¹ Through Tank ÖWA alpha GmbH, a wholly-owned subsidiary of Aéroports de Paris.

¹ IFRS data.

TAV Airports' Board of Directors consists of 11 members, with 5 members to be appointed by Groupe ADP, 1 for whom Tepe can propose a candidate and 1 for whom Sera can propose a candidate and 4 independent members to be proposed by the Nomination Committee to the General Meeting of Shareholders.

Information about concessions

Airport	Type/Expiry date	TAV Stake	Scope	Fee/Pax International	Fee/Pax Domestic	Volume Guarantee	Guarantee Concession/Lease Fee
Istanbul Ataturk	Leases (Jan. 2021)	100%	Terminal	US\$ 15 €2.5 (Transfer)	€3	-	\$140m + VAT
Ankara Esenboga	Build, Operate and Transfer (BOT) (May 2023)	100%	Terminal	€15 €2.5 (Transfer)	€3	0,6m dom, 0,75m Int'l pour 2007 + 5% pa	
Izmir A. Menderes	BOT + Concession lease (Dec. 2032)	100%	Terminal	€15 €2.5 (Transfer)	€3	-	€29m starting from 2013 ¹
Gazipasa Alanya	Concession lease (May 2034)	100%	Airport	€10 ²	TL7,5 ²	-	\$50,000 + VAT ³
Milas Bodrum ⁴	Concession lease (Dec. 2035)	100%	Terminal	€15	€3	-	+€28.7m + VAT ⁵
Tbilisi	BOT (Feb. 2027)	80%	Airport	US\$24	US\$6	-	
Batumi	BOT (Aug. 2027)	76%	Airport	US\$12	US\$7	-	
Monastir & Enfidha	BOT + concession (May 2047)	67%	Airport	€9	€1	-	11-26% of revenues from 2010 to 2047
Skopje & Ohrid	BOT + concession (March 2030)	100%	Airport	€17.5 in Skopje, €16.2 in Ohrid ⁶	-	-	4% of the gross annual revenue ⁶
Medinah	BOT + concession (2037)	33%	Airport	SAR 87 ⁷	-	-	54.5% ⁸
Yanbu, Hail & Qassim ^{7/9}	BOT + concession (2047)	50%	Airport	SAR 87 ⁷	SAR 10		3% of the gross annual revenue for Yanbu, 3.6% of the gross annual revenue for Hail and Qassim until 2026, 7.2% for between 2026 and 2047
Zagreb	BOT + concession (April 2042)	15%	Airport	€15 ¹⁰ €4 (Transfer)	€7	-	€2.0-€11.5m fixed 0.5% (2016) - 61% (2042) variable ⁹

¹ Based on cash.

² Per-passenger tariffs were revised as of January 1, 2015.

³ TAV Gazipasa will make a fixed yearly rent payment of US\$ 50,000 + VAT until the end of the operating period. In addition, TAV Gazipasa will pay 65% of its net profit to DHMI at the end of each operating year as profit share.

⁴ TAV assumed the operation of Milas Bodrum International Terminal on October 22, 2015.

⁵ A lump sum amount of € 143 million equivalent to 20% of the bid price for TAV Milas Bodrum Airport was paid in August 2014.

⁶ Concession fee will be 15% of the annual gross turnover until the number of passengers using both airports reaches 1 million. When the number of passengers exceeds 1 million, this ratio will change between 2% - 4% depending on the number of passengers.

⁷ SAR 87 from both departing and arriving international pax. Pax charge will increase as per cumulative CPI in Saudi Arabia every 3 years.

⁸ The concession charge will be realized as 27.3% for the first 2 years that follow the completion of the construction.

⁹ The Company plans to take over these airports in 1H 2018.

¹⁰ International, domestic and transfer passenger service fee of € 10, € 4, and € 4, respectively, prior to April 2014.

Tender for the new Istanbul airport

At the start of 2013, the Turkish government launched a tender 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 the loss of profit that may be incurred as a result of the opening of the new airport prior to the end 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 7.8 million passengers in 2017, 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 ACN¹ 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 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 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.

Concession for three airports in Saudi Arabia

In June 2017, the TAV Airports Group won the concession for three airports in Saudi Arabia: Yanbu, Qassim and Hail.

The Food & Beverages concession at the Muscat airport and lounges in the airports of Muscat, Washington and Nairobi

BTA has also been selected for the catering concession at the new Muscat International airport in Oman. The concession will start in 2018 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 3,300 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. In 2018, TAV Operations services is opening lounges at Santiago de Chile, Copenhagen, Zurich and New-York.

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 PAIDF 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. In 2017, the traffic amounted to 1.7 million passengers (+5.6%) and recommendations to travellers were reviewed favourably by the UK after summer 2017.

The concessions have been in structural economic imbalance, leading TAV Tunisia to negotiate with the Tunisian authorities. ///

Situation in Turkey

In 2017, the security situation was very good and the total traffic in the country reached 193 million passengers, an increase of 11%. It should not be forgotten that security climate in Turkey deteriorated in 2016, after the country was hit by several terrorist attacks (in particular, the Istanbul Atatürk airport) and an attempted coup d'état.

Increase in stake in BTA

In November 2017, TAV Airports acquired an additional 33% of BTA bringing its stake from 67% to 100%.

Planned acquisition of 49% of the share capital of the concessionaire of Antalya Airport

The TAV Airports Group has announced that it has signed an agreement for the acquisition of a 49% stake in ICF, which has the concession to operate Antalya's international airport. TAV Airports and Fraport would co-control ICF Company with equal Rights. The airport, which welcomed more than 26 million passengers in 2017, is the main point of entry to the region of Antalya, one of Turkey's most popular and most dynamic tourist regions, with 500 kilometres of coastal lines and a 600,000 bed hotel capacity.

TAV Construction

Aéroports de Paris, parent company of Groupe ADP, finalised the process for the sale of its entire 49% stake in TAV Investment, parent company of TAV Construction, to Sens Proje Gelistirme ve Yatirim A.S. and Tepe İnşaat Sanayi A.Ş. for an amount of €9 million.

Note that TAV Construction shares had been recognised under assets held for sale in Groupe ADP's financial statements, since 31 December 2016.

Groupe ADP is thus deploying its international strategy, by increasing its commitment in the airport group, TAV Airports, as leading shareholder, which took place on 7 July last year and, on the other hand, by refocusing its activities on its core business with the disposal of its stake in TAV Construction.

Partnership with Royal 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 Schiphol airport, created a long-term industrial cooperation and cross-equity investment agreement for 8% of the share capital at end 2008, which 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 strategic² move that is 2 generating significant mutual benefits for both companies in several core areas of business. The alliance has been named "Hublink".

In 2017, Schipol Group achieved an increase in revenue of 2.4%, at €1,458 million. The net income attributable to the group was €280 million, down 8.7%.

¹ Agencias Cubanas de Noticias.

² See also the paragraph in Chapter 18 entitled "Alliance with Schiphol Group".

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 layout 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, innovation 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 Jabine van der Meijs, respectively, Chief Executive Officer and Chief Financial Officer of Royal Schiphol Group, have been appointed members of the Board of Directors of Aéroports de Paris¹.

Specific bodies of the alliance

The industrial cooperation agreement currently uses a simplified governance structure that is focused on efficiency: a number of priority areas of cooperation are defined annually by the ICC – Industrial Cooperation Committee, which is the monitoring body for projects carried out as part of the alliance.

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.

2017 saw the continuation of projects that had already been launched (including joint training, some of which Incheon and TAV were also involved in) and the development of joint initiatives, with:

- ◆ in the field of innovation, the organisation of *Joint Innovation Days* at Groupe ADP's head office, bringing together the innovation teams from

Schiphol, Incheon and Groupe ADP: pitch of start-ups or innovative companies selected by each of the three thematic airports & workshops around common issues such as safety, robotics or mixed realities, with attendance by representatives of the business divisions;

- ◆ in the area of purchasing, three joint consultations are currently underway, aimed at (i) the purchase of snowplow brushes, (ii) the renewal of the ramp sign contracts and (iii) the purchase of high and very high pressure vehicles (sweepers, degreasers and runway rubber removers);
- ◆ furthermore, the coordination of the purchasing strategies of the two groups together with operations in order to identify new joint purchasing opportunities for the future continued and was part of regular exchanges between the teams;
- ◆ as a reminder, in the area of human resources, an employee exchange system between Groupe ADP and Schiphol was developed in 2011 to promote the sharing of specific skills and know-how in each of the two companies and strengthen cooperation between the teams. In 2017, two short missions (3-6 months) were organised (one Schiphol employee in Groupe ADP and one Groupe ADP employee in Schiphol).

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, legal, programmes and security.

Six priority areas of cooperation already identified to be the greatest value creators for HubLink were retained for 2018: the challenges of the digital airport, international, operations, purchasing, innovation and human resources.

Furthermore, in July 2017, Aéroports de Paris and Schiphol Group renewed a four year cooperation agreement with Incheon International Airport Corporation, the operator of Seoul's main airport, for a second time. This partnership, which does not include the acquisition of holdings, consists essentially of the exchange of information and fosters 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, with 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 ADP International and TAV Airports), this acquisition marked a major step in exporting all of the Group's know-how abroad.

¹ 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 Télécom & Mobilité, namely Hub Safe¹ and Hub One.

On 29 September 2017, Groupe ADP disposed of 80% of its interest in Hub Safe. Consequently, it has changed the consolidation model of the entity whose results have been, since that date, accounted for as a non-operating associate.

	Revenue		EBITDA		Operating income from ordinary activities (including operating activities of associates)	
(in million of euros)	2017	2017/2016	2017	2017/2016	2017	2017/2016
Hub One	154	+6.8%	20	-7.7%	5	-36.7 %
Hub Safe ¹	63	-19.6%	5	+6.7%	4	+9.2 %
TOTAL	217	-2.5%	25	-12.5%	9	-35.1 %

¹ Formerly called “Alyzia Sûreté”. Disposal of 80% of the holding on 29 September 2017.

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 2017, Hub One generated €154 million in revenue through its ten branches in France, 456 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.

Hub Safe Presentation

On 29 September 2017, Groupe ADP disposed of 80% of its interest in its subsidiary, Hub Safe, to Group Samsic, leader in the provision of services to companies in Europe, in the fields of cleaning, security and human resources services. This operation underlines the desire of Groupe ADP to entrust control of Hub Safe to a partner that will set airport security at the heart of its strategy and would be able to bolster its expertise as well as its technical and financial resources, in order to foster the development and sustainability of Hub Safe. At the request of Groupe ADP, the shareholder agreement provides for ongoing contracts concluded between Aéroports de Paris SA and Hub Safe to remain in force until 2023. On this date, a put and call option will be exercisable to enable the sale of the remaining 20% of capital.

At the request of Groupe ADP, the shareholder agreement provides for ongoing contracts concluded between Aéroports de Paris SA and Hub Safe to remain in force until 2023. On this date, a put and call will be exercisable to enable the sale of the remaining 20% of capital.

Note that Hub Safe operates in various airport security activities: passenger and cabin baggage security checks, staff security checks, road access control within airport airside areas, sniffer dogs for detecting explosives (baggage and cargo holds), event security and security training through its dedicated subsidiary, Hub Safe Training.

Thanks to its 1,700² employees and 55 dogs trained in explosives-detection, Hub Safe checks more than 20 million passengers and members of staff each year, with peaks of up to 65,000 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, 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 greater Paris region.

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. Being backed by the Samsic Group will strengthen Hub Safe's ability to achieve these goals.

Legal and regulatory environment

Chicago Convention

Signed in 1944, the Chicago Convention created the International Civil Aviation Organisation (ICAO), which has 192 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. Protection of the environment and the economic development of air transport are also among the global priorities of the organisation.

¹ Following the sale of 80% of the stake in Hub Safe and the change in the consolidation method for the entity (investments in associates and joint ventures from non-operating activities), average annual number of employees is 1,603.

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;
- ◆ 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;
- ◆ 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-haul 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 €83,084,715 are subject to an assessment consisting 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 the 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 oversight¹.

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 coordinator 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 "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, ASL Airlines France, Hop!, Openskies, Transavia, XL Airways France, Aéroports de Paris, Aéroports de Lyon and Côte d'Azur airport. The association is financed by a fee for the service provided for co-ordination and facilitation of time slots, which is paid for each landing in equal proportions by the airfield operator and the aircraft operator concerned. The portion incumbent upon the aircraft operator is collected by the airfield operator on behalf of the association.

The rates for this fee, as of 1 April 2018 are set as follows:

- ◆ €2.10 per landing for the aircraft operator;
- ◆ €2.10 per landing for the airport operator².

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 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, supplies 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 to ensure the satisfactory fulfilment of the public service obligations assigned to it³.

¹ See also Chapter 17 "Environmental data".

² Decision of 15 January 2018 on the approval of fees for services rendered on the basis of coordination and facilitation timetable assignments at the airports.

³ See also the paragraph in Chapter 6 entitled "Ownership of assets".

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 as part 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 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.

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.

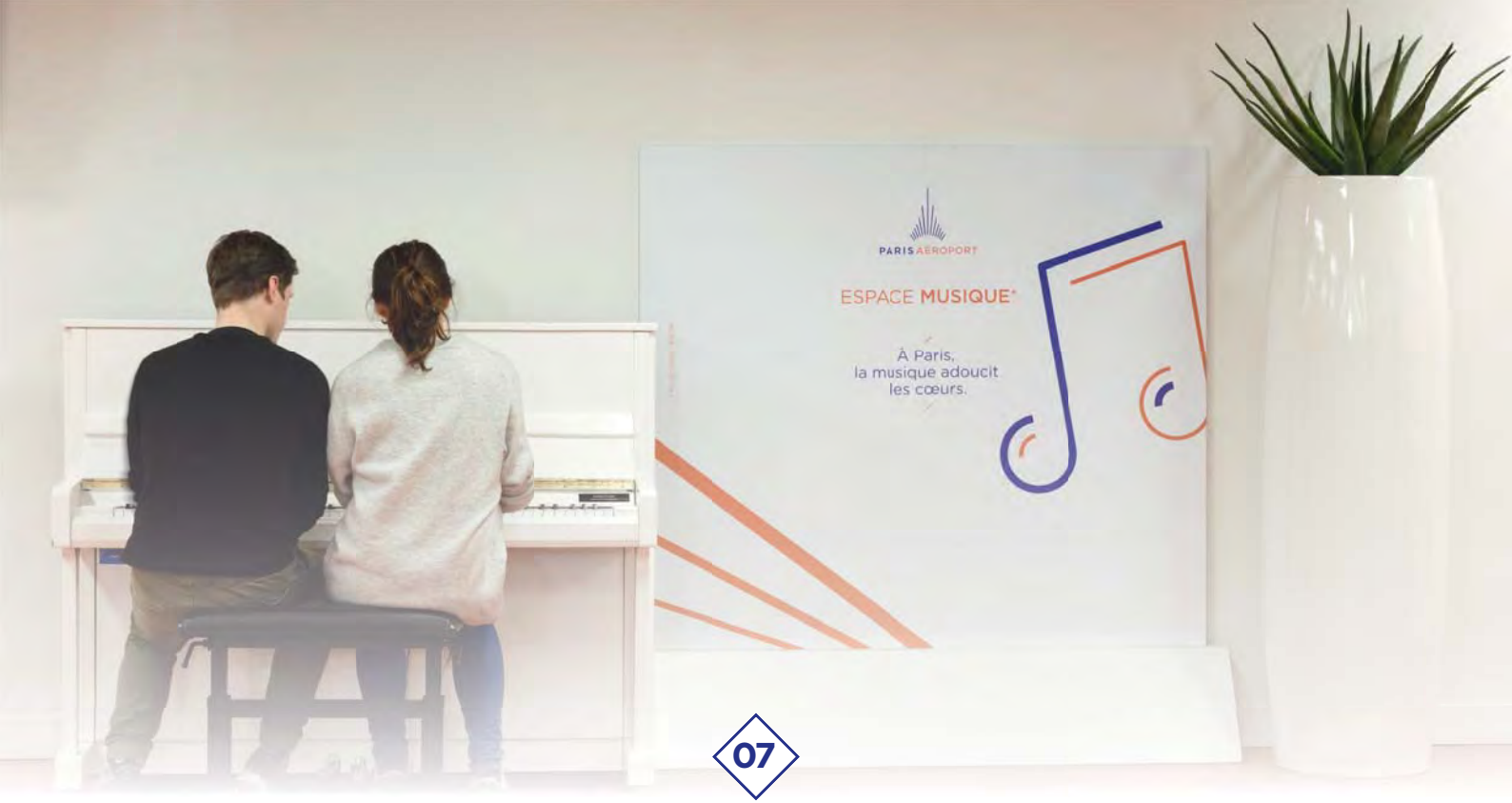
In application of community law, Aéroports de Paris provides assistance to passengers with disabilities or reduced mobility for accessing airport services and moving around facilities, including boarding and disembarking from aircraft.

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.



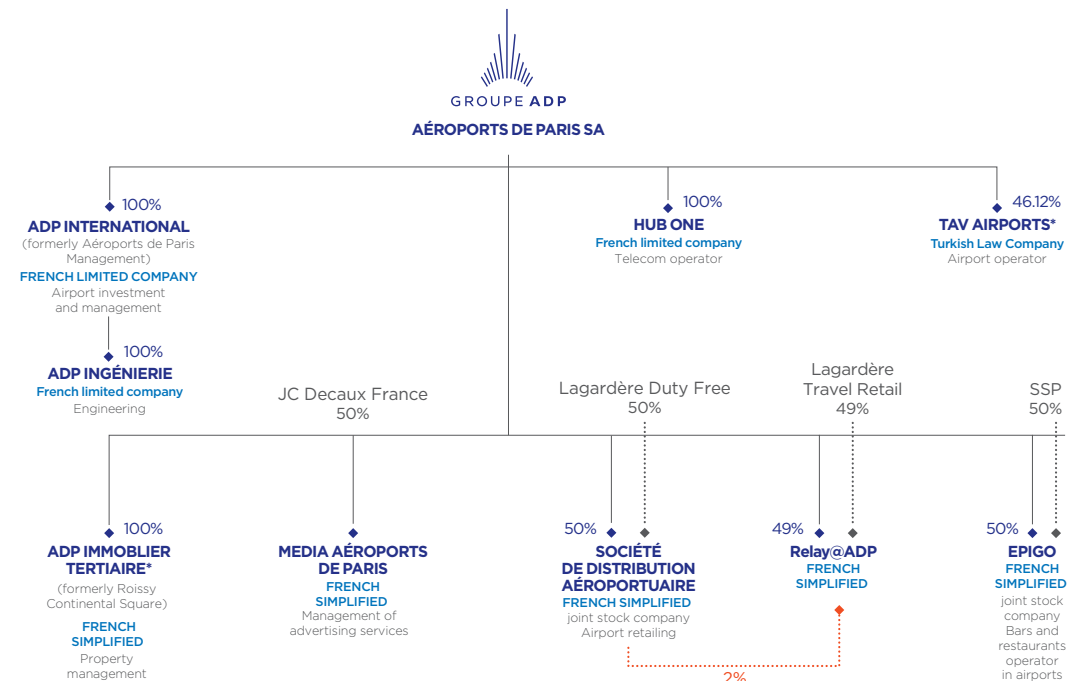
07

ORGANISATION CHART

7.1 SIMPLIFIED GROUP ORGANISATION CHART AS AT 31 DECEMBER 2017

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 Note 18 of the Notes to the consolidated financial statements presented in Chapter 20.



* Indirect participation
Disclosed percentages are both sharing participation
and voting rights as of 31 December 2017.

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 2017, 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 commitments¹.

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 18 to the consolidated financial statements in Chapter 20.

Groupe ADP reinforced its partnership with TAV Airports by acquiring an additional 8.12% of the capital, bringing its stake from 38% to 46.12%.

Groupe ADP sold its entire 49% interest in TAV Airports on 20 July 2017².

In September 2017, Groupe ADP disposed of 80% of its interest in its subsidiary, Hub Safe, specialising in airport security.

¹ For more information, see Note 15 to the consolidated financial statements presented in Chapter 20.

² See chapter 9.8.



REAL ESTATE ASSETS AND FACILITIES

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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 specifications¹. 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 7 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.

In a sale contract dated 25 March 2015 Aéroports de Paris sold its registered office at 291, boulevard Raspail – Paris 14th Arrondissement, to the Centre National du Cinéma et de l'Image Animée for €52 million,

¹ See the paragraph in Chapter 4 "Risks related to the business of Aéroports de Paris".

of which €25 million was payable in cash and €25 million upon transfer of legal ownership on 1 July 2016 (with a right of occupancy granted the seller until 31 March 2017 in exchange for a single payment of €500,000), the balance of the sale price, or €2.1 million, being withheld against penalties as of 1 April 2017 should the seller fail to vacate the building.

At 31 December 2017, the net value of land and improvements (investment property included) totalled €115 million, buildings (investment property included) totalled €5 million and technical facilities and other (investment property included) amounted to €422 million and assets under construction (investment property included) totalled €1,055 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 situation¹.

¹ See the paragraph in Chapter 4 "Risks related to the business of Aéroports de Paris".



REVIEW OF THE FINANCIAL POSITION AND INCOME ^{AFR}

9.1 KEY FIGURES

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Analysis of Groupe ADP 2017 income statement

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Analysis by segment

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9.3 HIGHLIGHTS OF THE 2017 FINANCIAL YEAR

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The consolidated financial statements of Groupe ADP for the financial years ended 31 December 2017 and 31 December 2016 were prepared in accordance with IFRS. The scope of consolidation is described in note 18 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 2017 financial year with the data for the 2016 financial year ¹.

¹ See notes to the consolidated financial statements presented in Chapter 20.

9.1 KEY FIGURES

<i>(in millions of euros)</i>	2017¹	2016	2017/2016¹
Revenue	3,617	2,947	+€670m
EBITDA	1,567	1,195	+€372m
EBITDA/Revenue	43.3%	40.6%	+2.7pt
Operating income from ordinary activities (including operating activities of associates)	1,030	664	+€366m
Operating income from ordinary activities/Revenue	28.5%	22.5%	+6.0pt
Operating income (including operating activities of associates)	1,052	696	+€356m
Financial income	(179)	(115)	-€64m
Net income attributable to the group	571	435	+€136m

¹ Including the full consolidation of TAV Airports in the 2nd half of 2017.

9.2 ANALYSIS OF 2017 RESULTS

Analysis of Groupe ADP 2017 income statement

Revenue

<i>(in millions of euros)</i>	2017	2016	2017/2016
Revenue¹	3,617	2,947	+€670m
Aviation	1,813	1,743	+4.0%
Retail and services	953	941	+1.2%
Real estate	250	263	-4.8%
International and airport developments ¹	682	97	+€585m
<i>Of which TAV Airports</i>	<i>616</i>	<i>-</i>	<i>+€616m</i>
Other activities	217	223	-2.5%
Inter-sector eliminations	(298)	(321)	-7.0%

¹ Including the full consolidation of TAV Airports in the 2nd half of 2017.

Over 2017, Groupe ADP **consolidated revenue** stood at €3,617 million, up by €670 million, mainly thanks to:

- ◆ the full consolidation of TAV Airports for the 2nd half of 2017, which contributed to revenue up to €616 million. Excluding the full consolidation of TAV Airports, Groupe ADP revenue grew by 1.8%, to €3,001 million;
- ◆ the growth in airport fees in Paris Aéroport (+5.2%, at €1,055 million), driven by passenger traffic dynamics (+4.5%) combined with the increase in tariffs since 1 April 2017 (+0.97%);
- ◆ the strong increase in revenue from ancillary fees in Paris Aéroport (+4.6%, at €230 million), in particular from the fee related to the provision of de-icing facilities (+29.1%, at €24 million) and PRM¹ fees (+9.5%, at €60 million).

These favorable items were partially offset by:

- ◆ the decrease in revenue in international activities, excluding the full consolidation of TAV Airports (-32.0%, at €66 million) linked to a slowdown in activity and a decrease in backlog in the Middle-East for ADP Ingénierie;
- ◆ the change in consolidation method for Hub Safe during the 4th quarter², following the 80%-disposal of the stake in this entity. For the 4th quarter of 2017, Hub Safe's results has been accounted for as non-operating associates.

Over 2017, intersegment eliminations³ amounted to €298 million.

¹ Persons with reduced mobility.

² Please refer to the press release published on 29 September 2017, available on www.groupeadp.fr.

³ Internal revenue realised between segments.

EBITDA

(in millions of euros)	2017 ¹	2016	2017/2016 ¹	2017 (excl. FC of TAV A) ²	2017/2016 (excl. FC of TAV A) ²
Revenue	3,617	2,947	+€670m	3,001	+1.8%
Operating expenses	(2,142)	(1,807)	+€335m	(1,809)	+0.1%
Consumables	(165)	(113)	+€52m	(120)	+5.8%
External services	(865)	(707)	+€158m	(725)	+2.7%
Employee benefit costs	(814)	(698)	+€116m	(689)	-1.2%
Taxes other than income taxes	(260)	(262)	-€2m	(250)	-4.5%
Other operating expenses	(39)	(27)	+€12m	(25)	-9.4%
Other incomes and expenses	93	56	+€37m	96	+€40m
EBITDA	1,567	1,195	+€372m	1,287	+7.7%
EBITDA/Revenue	43.3%	40.6%	+2.7pt	42.9%	+2.3pt

¹ Including full consolidation of TAV Airports in the 2nd half of 2017.

² The Group's consolidated EBITDA for the year ended 31 December 2017, less the contribution of TAV A including PPA adjustments.

Group operating expenses stood at €2,142 million over 2017. Excluding the full consolidation of TAV Airports, operating expenses were almost stable (+0.1%) due to the good control over expenses. The operating expenses of the parent company increased slightly by 0.3%, compared to 2016.

The distribution of operating expenses is as follows:

◆ **consumables** stood at €165 million. Excluding the full consolidation of TAV Airports, consumables were up by 5.8% due to the increase in furniture need for the de-icing activity and the increase in Hub One activities;

◆ the **costs related to external services** stood at €865 million. Excluding the full consolidation of TAV Airports, the costs related to external services were up by 2.7% due to the increase of use of sub-contracting, linked to the change of accounting method for Hub Safe, and the increase in expense for maintenance and repairs;

◆ **employee benefit** costs stood at €814 million. Excluding the full consolidation of TAV Airports, employee benefit costs were down by 1.2%, notably due to the partial sale of Hub Safe over the last quarter of 2017. As of 31 December 2017, the average number of employees stood at 17,422^{1/2};

(in millions of euros)	2017 ¹	2016	2017/2016 ¹
Employee benefit costs	814	698	+€116m
Aéroports de Paris	555	553	+0.4%
Subsidiaries	258	145	+€113m
Average staff numbers (Full-Time Equivalent)	17,422	8,947	+8,475
Aéroports de Paris	6,435	6,478	-0.7%
Subsidiaries	10,987	2,469	+8,518

¹ Including the full consolidation of TAV Airports in the 2nd half of 2017.

◆ **taxes other than income taxes** stood at €260 million. Excluding the full consolidation of TAV Airports, taxes other than income taxes decreased by 4.5% due to the settlement of a litigation on previous years;

◆ **other operating expenses** stood at €39 million. Excluding the full consolidation of TAV Airports, other operating expenses were down by 9.4%, due to a decrease in management expenses.

Other income and expenses stood at €93 million, due to the accounting, under to the IAS 17 norm, of the capital gain linked to the long term lease of cargo hub buildings³, for €63 million.

Over 2017, group consolidated EBITDA stood at €1,567 million. Excluding the full consolidation of TAV Airports, EBITDA stood at €1,287 million, up by 7.7% compared to 2016. The consolidated gross margin rate⁴ for 2017 was up by 2.7 points, at 43.3%.

¹ Full time equivalent, of which average number of employees of Hub Safe over nine months, following the sale of a 80%-stake in the entity at the end of September 2017 and of which average number of employees of TAV Airports since the full consolidation, made in July 2017.

² The average number of employees of the parent company decreased by 0.7% in 2017

³ Please refer to the press release of the first half year of 2017 results, available on www.groupeadp.fr.

⁴ EBITDA/Revenue.

Net result attributable to the group

(in millions of euros)	2017 ¹	2016	2017/2016 ¹
EBITDA	1,567	1,195	+€372m
Amortisation & Depreciation	(615)	(479)	+€136m
Share in associates and joint ventures from operating activities after adjustments related to acquisition of holdings	77	(52)	+€129m
Operating income from ordinary activities (including operating activities of associates)	1,030	664	+€366m
Other operating expenses and incomes	22	32	-€10m
Operating income (including operating activities of associates)	1,052	696	+€356m
Financial income	(179)	(115)	-€64m
Associates from non-operating activities	1	59	-€58m
Income before tax	874	640	+€234m
Income taxes	(260)	(202)	+€58m
Net results from continuing activities	614	438	+€176m
Net income attributable to non-controlling interests	(44)	(3)	-€41m
Net income attributable to the group	571	435	+€136m

¹ Including the full consolidation of TAV Airports in the 2nd half of 2017.

Over 2017, **amortisation and depreciation** stood at €615 million. Excluding the full consolidation of TAV Airports, amortisation and depreciation decreased by €7 million.

Operating income from ordinary activities (including operating activities of associates) stood at €1,030 million notably due to:

- ◆ the scope effect of the full consolidation of TAV Airports for the 2nd half of 2017;
- ◆ the re-evaluation of the 38%-stake in TAV Airports for €63 million;
- ◆ the capital gain following the sale of TAV Construction for a net amount of €12 million;
- ◆ the negative effect linked to provisions on international stake amounting to €46 million, accounted for during the 1st half-year of 2017.

Operating income stood at €1,052 million, due notably to the capital gain of the 80%-sale of the stake in Hub Safe, net of disposal fee, for an amount of €27 million.

The **net financial result** stood at -€179 million and was notably impacted by provisions on international stake for €9 million accounted for during the 1st half of 2017, in addition to the €46 million mentioned above.

As of 31 December 2017, Groupe ADP net debt stood at €3,797 million compared with €2,709 million as of 31 December 2016 due to the full consolidation of TAV Airports. Excluding the full consolidation of TAV Airports, Groupe ADP's net debt would stand at €3,144 million.

The **share of profit of non-operating associates** was down by €58 million, to €1 million, due to the negative impact of the non-renewal of the capital gain linked to the sale, in October 2016, of Groupe ADP's stake in the Mexican airport operator OMA for an amount of €58 million.

The **income tax expense** stood at €260 million in 2017, up by €58 million. This net increase in income tax is, on one hand, due to the corporate income tax for €82 million, linked to the increase in income before tax and the 2017 surcharge on income tax, partially offset by the re-evaluation of deferred taxes from 2020. On the other hand, the reimbursement of tax on dividends, amounting for €24 million, reduced the impact of the increase in corporate income tax.

Taking into account all these items, the **net result attributable to the group** increased by €136 million, to €571 million.

Analysis by segment

The definition of the different business segment is given in note 4.2 of the appendix to the consolidated accounts in chapter 20.

Aviation

<i>(in millions of euros)</i>	2017	2016	2017/2016
Revenue	1,813	1,743	+4.0%
<i>Airport fees</i>	1,055	1,003	+5.2%
<i>Passenger fees</i>	653	619	+5.4%
<i>Landing fees</i>	243	233	+4.6%
<i>Parking fees</i>	159	151	+5.6%
<i>Ancillary fees</i>	230	220	+4.6%
<i>Revenue from airport safety and security services</i>	487	480	+1.6%
<i>Other income</i>	40	40	-1.6%
EBITDA	551	488	+12.8%
Operating income from ordinary activities (including operating activities of associates)	272	186	+46.4%
<i>EBITDA/Revenue</i>	30.4%	28.0%	+2.4pt
<i>Operating income from ordinary activities/Revenue</i>	15.0%	10.7%	+4.4pt

Over 2017, Aviation segment, that only includes Parisian activities, revenue increased by 4.0%, to €1,813.

Revenue from **airport fees** (passenger fees, landing fees and aircraft parking fees) was up by 5.2%, at €1,055 million, in 2017, benefiting from the growth in passenger traffic (+4.5%) and the increase in tariffs as of 1 April 2017 (+0.97%). It should be noted that, as of 1 April 2017, tariffs (excluding PRM¹ fees) have increased by 1.51%, except the CREWS fee that decreased significantly. Overall, excluding PRM fees, the increase was equal to +0.97% on average.

Ancillary fees were up by 4.6%, to €230 million, mainly thanks to the increase in revenue from the fee related to the provision of de-icing facilities (+29.1%, at €24 million) and from the fee for PMR (+9.5%, at €60 million) linked to the growth in traffic.

Revenue from airport safety and security services was up by 1.6%, to €487 million. This revenue covered the expenses engaged by Groupe ADP, up due to the increase in traffic. This increase was partially offset by

productivity gain made possible by the signing of markets in obligation of results in security.

Other income, which mostly consists in re-invoicing the French Air Navigation Services Division and leasing associated with the use of terminals, slightly decreased by 1.6%, to €40 million.

The combination of these elements with the good control over expenses resulted in an EBITDA of the aviation segment up by 12.8%, at €551 million. The gross margin rate increased by 2.4 points and stood at 30.4%.

Amortisation and depreciation were down (-7.9%), at €279 million due to the favourable base effect linked to the extraordinary amortisation and depreciation in 2016 and the full year effect of the review of the lifespan of some assets occurring at the end of 2016 that translated into a small lengthening of the mean duration of amortisation.

As a consequence, the **operating income from ordinary activities** was strongly up by €86 million, at €272 million in 2017.

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Retail and services

<i>(in millions of euros)</i>	2017	2016	2017/2016
Revenue	953	941	+1.2%
<i>Retail activities</i>	459	449	+2.2%
<i>Airside shops</i>	303	299	+1.6%
<i>Landside shops</i>	19	18	+5.4%
<i>Bars and restaurants</i>	42	39	+10.2%
<i>Advertising</i>	50	50	-0.8%
<i>Others</i>	45	44	+1.0%
<i>Car parks and access roads</i>	171	175	-2.1%
<i>Industrial services revenue</i>	134	133	+0.5%
<i>Rental income</i>	147	146	+0.5%
<i>Other income</i>	42	38	+11.4%
EBITDA	533	527	+1.0%
Share in associates and joint ventures from operating activities	3	1	+€2m
Operating income from ordinary activities (including operating activities of associates)	404	409	-1.2%
<i>EBITDA/Revenue</i>	55.9%	56.0%	-0.1pt
<i>Operating income from ordinary activities/Revenue</i>	42.4%	43.5%	-1.1pt

¹ Persons with disabilities or impaired mobility.

Over 2017, revenue from Retail and services, that only includes Parisian activities, was up by 1.2%, at €953 million.

Revenue from **retail** (rents received from airside and landside shops, bars and restaurants, banking and foreign exchange activities, and car rental companies, as well as revenue from advertising) was up by 2.2% in 2017, at €459 million, the favorable impact of the return of the most contributive passengers being partly offset by the negative effect of exchange rate during the 2nd half of 2017:

- ◆ among this item, the rents from airside shops stood at €303 million, up by 1.6%, thanks to the good performance of the luxury activity, partly offset the negative effect of the roll-out of the plain packaging on tobacco sales. The sales per passenger¹ were stable (+0.4%), at €18.2;
- ◆ rents from landside shops increased by 5.4%, to €19 million;
- ◆ bars and restaurants posted a growth of 10.2%, at €42 million, linked partly to the full year effect of the roll-out of the EPIGO joint venture.

Media Aéroports de Paris² saw a decrease of 1.0% of its revenue, at €53 million, due to the negative base effect linked to the strong activity in 2016 related to the Euro football championship. Its EBITDA was down by 1.5%, at €8 million and its net result was up by 3.2%, at €2 million.

Revenue from **car parks** stood at €171 million, down by 2.1%.

Revenue from **industrial services** (the supply of electricity and water) was up slightly (+0.5%), at €134 million.

Rental revenue (leasing of space within terminals) increased slightly by 0.5%, to €147 million.

Other revenue saw an increase of 11.4%, to €42 million.

EBITDA of the segment was up by 1.0%, at €533 million, due to the growth in revenue and to the control over expenses. The gross margin rate was stable (-0.1 point), at 55.9%.

The share of profit from operating associates (Société de Distribution Aéroportuaire, Relay@ADP and EPIGO) was up by €2 million, at €3 million.

Operating income from ordinary activities (including operating activities of associates) decreased by 1.2%, to €404 million.

Real Estate

(in millions of euros)	2017	2016	2017/2016
Revenue	250	263	-4.8%
<i>External revenue¹</i>	<i>208</i>	<i>211</i>	<i>-1.1%</i>
<i>Land</i>	<i>108</i>	<i>102</i>	<i>+5.5%</i>
<i>Buildings</i>	<i>68</i>	<i>82</i>	<i>-16.1%</i>
<i>Others</i>	<i>32</i>	<i>27</i>	<i>+19.2%</i>
<i>Internal revenue</i>	<i>42</i>	<i>52</i>	<i>-19.6%</i>
<i>Other income and expenses (incl. capital gain linked to the cargo hub buildings)</i>	<i>69</i>	<i>3</i>	<i>+€66m</i>
EBITDA (excluding capital gain linked to cargo hub buildings)	146	149	-2.3%
EBITDA	209	149	+€60m
Share in associates and joint ventures from operating activities	(2)	(2)	-€0.6m
Operating income from ordinary activities (including operating activities of associates)	161	104	+€57m
<i>EBITDA/Revenue</i>	<i>83.5%</i>	<i>56.7%</i>	<i>+26.8pt</i>
<i>Operating income from ordinary activities/Revenue</i>	<i>64.1%</i>	<i>39.7%</i>	<i>+24.4pt</i>

¹ Generated with third parties (outside the group).

Over 2017, Real estate revenue, that only includes Parisian activities, was down by 4.8%, at €250 million.

External revenue³ (€208 million) was down (-1.1%) due to the loss of some contracts in Paris-Orly.

Internal revenue decreased (-19.6%), to €42 million, due to the revision of internal rents in order to correspond to market prices, in order to improve the internal management of the group, with no impact on the group consolidated revenue.

¹ Sales of airside shops divided by the number of departing passengers..

² Media Aéroports de Paris is now fully consolidated and no longer accounted for in associates. As a consequence, 2016 accounts were restated.

³ Generated with third parties (outside the group).

According to the IAS 17 norm, the capital gain linked to the long term lease of cargo hub buildings, was accounted for in "other incomes" and amounted to €63 million. This gain was accounted for during the 1st half of 2017.

As a consequence, **EBITDA** was up strongly, by €60 million, at €209 million.

Excluding the profit linked to the cargo hub buildings, the EBITDA was down 2.3% due, notably, due to the increase in local taxes.

Amortisation and depreciation increased by 7.6%, to €46 million, linked to the head offices amortisation (€2.5 million in 2017).

The share of profit from operating associates stood at -€2 million.

As a consequence, **operating income from ordinary activities (including operating activities of associates)** increased strongly, to €161 million, compared with €104 million in 2016.

International and airports developments

(in millions of euros)	2017 ¹	2016	2017/2016 ¹
Revenue	682	97	+€585m
ADP Ingénierie	52	75	-30.9%
ADP International	15	23	-35.6%
TAV Airports	616	-	+€616m
EBITDA	252	3	+€249m
Share in associates and joint ventures from operating activities after adjustments related to acquisition of holdings	77	(51)	+€128m
Operating income from ordinary activities (including operating activities of associates)	186	(49)	+€235m
EBITDA/Revenue	36.9%	2.8%	N/A
Operating income from ordinary activities/Revenue	27.2%	-50.4%	N/A

¹ Including the full consolidation of TAV Airports in the 2nd half of 2017.

Over 2017, revenue from International and airport developments increased strongly by €585 million, to €682 million, due to the full consolidation of TAV Airports since July 2017, and the acquisition of an additional 8.12%-stake in the company, for a total stake of 46.12%. EBITDA stood at €252 million.

At constant scope (excluding the full consolidation of TAV Airports), revenue from International and airport developments decreased by 32.0% and EBITDA stood at -€28 million.

ADP Ingénierie's revenue was down by 30.9%, at €52 million, due to a slowdown in activity for all international branches and a decrease in backlog in the Middle East. EBITDA and operating income from ordinary activities (including operating activities of associates) stood respectively at -€12 million and -€13 million (compared with a positive result of €5 million in 2016). At the end of 2017, ADP Ingénierie's backlog amounted to €61 million.

ADP International, excluding ADP Ingénierie, saw its revenue decreasing by €8 million, to €15 million. EBITDA stood at -€12 million (compared to zero in 2016). Its operating income from ordinary activities (including operating activities of associates) stood at -€39 million (compared with a result of €5 million in 2016) due to a provision on international stake amounting to €46 million, accounted for during the 1st half of 2017.

Over the 2nd half of 2017, TAV Airports' contribution in the financial accounts of the group, after adjustments related to acquisition of holdings, stood at €616 million in revenue, €280 million in EBITDA and €149 million in operating income from ordinary activities.

In 2017, **TAV Airports** achieved an increase in revenue of 2%, to €1,139 million, in EBITDA of 15%, to €481 million and in net result of 55%, to €185 million.

Share of profit from operating associates, including mainly TAV Airports for the 1st half of 2017 and Schiphol Group, after adjustments related to acquisition of holdings, stood at €77 million in 2017, compared to -€51 million in 2016, hence an increase of €128 million. This increase was mainly due to the following drivers:

- ◆ the capital gain of the re-evaluation of the 38%-stake in TAV Airports for an amount of €63 million;
- ◆ the positive base effect linked to the impairment of TAV Construction in 2016, and, in 2017, a capital gain, net of disposal fee, for an amount of €12 million;
- ◆ these elements are partially offset by provisions on international stake amounting to €46 million, accounted for during the 1st half of 2017.

Operating income from ordinary activities (including operating activities of associates) for International and airport developments stood consequently at €186 million, compared to a result of -€49 million in 2016.

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¹ Subsidiary of ADP International from 1 July 2017.

Other activities

(in millions of euros)	2017	2016	2017/2016
Revenue	217	223	-2.5%
Hub One	154	144	+6.8%
Hub Safe ¹	63	78	-19.6%
EBITDA	25	29	-12.5%
Operating income from ordinary activities (including operating activities of associates)	9	14	-35.1%
EBITDA/Revenue	11.6%	12.9%	-1.3pt
Operating income from ordinary activities / Revenue	4.3%	6.4%	-2.1pt

¹ Revenue for nine months, following the sale of a 80%-stake in Hub Safe on 29 September 2017.

In 2017, revenue from Other activities segment was down by 2.5%, at €217 million. EBITDA decreased by 12.5%, to €25 million. As a reminder, since 29 September 2017, date of sale of 80%-stake in Hub Safe, Hub Safe has been accounted for as non-operational associates. From this date, the share in profit has been accounted for as share in associates from non-operating activities.

In 2017, **Hub One** saw its revenue growing by 6.8%, at €154 million, driven by the increased activity of the Telecom division. EBITDA was down 7.7%, at €20 million. The operating income from ordinary activities (including operating activities of associates) decreased by €3 million, to €5 million.

Hub Safe's revenue was down by 19.6%, at €63 million due to the change in accounting method of the company during the last quarter. EBITDA increased by €1 million, to €5 million. The operating income from ordinary activities (including operating activities of associates) increased by 9.2%, to €4 million.

The **operating income from ordinary activities (including operating activities of associates)** of the segment was down by 35.1%, at €9 million.

9.3 HIGHLIGHTS OF THE 2017 FINANCIAL YEAR

Change in passenger traffic

Group stake-weighted traffic

Group traffic (million passengers)	Groupe ADP stake ¹	Stake-weighted traffic (mpax) ²	2017/2016 change ³
Paris Aéroport (CDG+ORY)	@ 100%	101.5	+4.5%
Zagreb	@ 20.8%	0.6	+11.8%
Jeddah-Hajj	@ 5%	0.4	+2.9%
Amman	@ 9.5%	0.8	+6.8%
Mauritius	@ 10%	0.4	+5.4%
Conakry	@ 29%	0.1	+23.8%
Santiago de Chile	@ 45%	9.6	+11.6%
Madagascar	@ 35%	0.4	+6.2%
Istanbul Atatürk	@ 46.1%	63.7 (@ 100%)	+5.5%
Ankara Esenboga	@ 46.1%	15.8 (@ 100%)	+21.5%
Izmir	@ 46.1%	12.8 (@ 100%)	+6.4%
Other airports ⁴	@ 46.1%	22.6 (@ 100%)	+17.5%
TOTAL GROUP		228.2	+7.4%

¹ Direct or indirect.

² Total traffic is calculated using the following method: traffic at the airports that are fully integrated is recognised at 100%, while the traffic from the other airports is accounted for pro rata to Groupe ADP's percentage holding.

³ Change in 2017 traffic as compared to 2016, with the scope excluding that of the Mexican airports disposed of in October 2016 and taking into account 100% of the TAV Airports traffic for the full 2017 financial year.

⁴ Turkey (Milas-Bodrum), Croatia (Zagreb), Saudi Arabia (Medinah), Tunisia (Monastir & Enfidha), Georgia (Tbilissi & Batumi), and Macedonia (Skopje & Ohrid).

Traffic in Paris Aéroport

Paris Aéroport handled a total of 101.5 million passengers in 2017, an increase of 4.5% compared to the previous year. Paris-Charles de Gaulle Airport welcomed 69.5 million passengers (+5.4%) and Paris-Orly Airport 32.0 million (+2.6%). Traffic increased by 5.0% over the first half of the year and by 4.0% over the second half:

Geographic split breaks down as follows:

Geographic split Paris Aéroport	2017/2016 change	Share of total traffic
France	+1.0%	16.3%
Europe	+4.2%	43.8%
Other International	+6.2%	40.0%
Of which		
<i>Africa</i>	<i>+7.8%</i>	<i>11.3%</i>
<i>North America</i>	<i>+6.9%</i>	<i>10.0%</i>
<i>Latin America</i>	<i>+0.7%</i>	<i>3.1%</i>
<i>Middle East</i>	<i>+8.9%</i>	<i>5.1%</i>
<i>Asia-Pacific</i>	<i>+4.1%</i>	<i>6.4%</i>
<i>French Overseas Territories</i>	<i>+4.8%</i>	<i>4.1%</i>
TOTAL PARIS AÉROPORT	+4.5%	100.0%

International traffic (excluding Europe) was up (+6.2%) due to growth in all destinations: the Middle East (+8.9%), Africa (+7.8%), North America (+6.9%), the French Overseas Territories (+4.8%), Asia-Pacific (+4.1%) and Latin America (+0.7%);

European traffic (excluding France) was up by 4.2%;

Traffic within France was up by 1.0%.

The number of connecting passengers rose by 1.2%. The connecting rate stood at 23.1%, down by 0.8 points. The load factor was up by 3.5 points, at 85.0%.

The number of air traffic movements (704,681) was up by 0.4%.

Freight and postal activity increased by 2.3%, with 2,295,417 tonnes transported.

Revision of Paris Aéroport 2017 traffic growth assumption

On 26 April 2017, during the announcement of the 1st quarter 2017 revenue, regarding the trends in traffic and the growth prospects for the remaining of the year, Groupe ADP revised upward its traffic growth assumption for Paris Aéroport at +3.0%, more or less 0.5 points in 2017 compared with 2016, versus +1.7% and +2.2% previously. On the basis of this assumption, Groupe ADP confirmed its 2017 consolidated EBITDA.

Forecasts have been revised on 24 July 2017.

	2017 Forecasts as presented on 22 February 2017	2017 Forecasts as of 26 April 2017	2017 Forecasts as of 24 July 2017
Traffic growth assumption for 2017 in Paris Aéroport	Between +1.7 and +2.2% compared with 2016	+3.0% more or less 0.5 points in 2017 compared with 2016	Between +3.5% and +4.0% in 2017, compared with 2016
	In upward trend compared with 2016, favourably impacted by the extraordinary incomes planned to date	In upward trend compared with 2016, impacted favourably by planned-to-date profit linked to cargo hub buildings ¹	In upward trend compared with 2016 - Capital gain linked to cargo hub buildings for €63 million independently of the effect of the global integration of TAV Airports
Consolidated EBITDA			
	Maintaining 60% payout ratio, with a minimum dividend fixed at €2.64/share	Maintaining 60% payout ratio, with a minimum dividend fixed at €2.64/share	Maintaining 60% payout ratio, with a minimum dividend fixed at €2.64/share
Dividend for 2017	Interim dividend payment scheduled for December 2017	Interim dividend payment scheduled for December 2017	Interim dividend payment scheduled for December 2017 (unchanged)

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¹ Groupe ADP and FedEx intend to sign in 2017 a final contract for the rental of cargo hub buildings until 2048. This contract having to be qualified as financial lease in accordance with IAS 17 norm, a capital gain on disposal will have to be accounted for by Groupe ADP in 2017 for the buildings leased.

Bond redemption

On 27 January 2017, Aéroports de Paris redeemed a mature bond with nominal value of CHF200 million (€135 million), bearing interest at 2.50%.

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) 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.

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.

CDG Express reaches a major milestone on 20 March 2017: 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 two industrial partners of the consortium 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 on 20 March 2017 of the prefectural 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.

Dividend voted by the Annual General Meeting

The Annual General Meeting of Shareholders, held on 11 May 2017, voted to pay a dividend of €2.64 per share for financial year 2016, with an ex-dividend date of 7 June 2017. Given the interim payment (€0.70) made on 9 December 2016, the balance (€1.94) was paid on 9 June 2017. This dividend corresponds to a payout ratio of 60% of the net result attributable to the Group for financial year 2016, and is unchanged since that of financial year 2013.

Disposal of 80% of Groupe ADP's stake in Hub Safe

On 24 May 2017, Groupe ADP announced it has entered into exclusive negotiations with Groupe Samsic to dispose its 80% stake in its Hub Safe subsidiary, specialised in airport security.

This project underlines the desire of Groupe ADP to entrust control of Hub Safe to a partner that would set the airport security at the heart of its strategy and would be able to bolster its expertise as well as its technical and financial resources, in order to foster its development and sustainability.

Created in Bretagne (France) in 1986, Samsic is a family-owned company that has become a leading group in the provision of services to companies in Europe, in the fields of cleaning, security and human resources services. Samsic has never ceased diversifying, in order to complete its range of services and thus meet the needs of its clients. With annual revenue of €1.5 billion, the company currently employs 70,000 people.

On 29 September 2017, Groupe ADP finalised the disposal to Groupe Samsic of 80% of its shares in its subsidiary Hub Safe, specialised in airport security, after having obtained the required regulatory approvals. Groupe ADP will remain a shareholder with a 20% stake in Hub Safe..

Groupe ADP increased its stake in TAV Airports and sold its stake in TAV Construction

On 9 June 2017, Aéroports de Paris SA, mother company of Groupe ADP, though its subsidiary Tank ÖWA alpha GmbH, entered into a share purchase agreement, signed on 9 June 2017, with Akfen Holding A.Ş. ("Akfen Holding") for the acquisition of Akfen Holding's whole stake in TAV Havalimanları Holding A.Ş. ("TAV Havalimanları Holding" or "TAV Airports"). Groupe ADP has been a 38% shareholder of TAV Airports since 2012.

With this transaction¹, Groupe ADP acquired an 8.12% stake in TAV Airports, for an amount of \$160 million. The transaction values TAV Havalimanları Holding's equity at around USD2.0 billion, equivalent to TRY19.2 per share. This project of acquisition will increase Groupe ADP's commitment in the company, with a stake brought to 46.12% of TAV Airports' share capital. Tepe İnşaat Sanayi A.Ş. and Sera Yapi Endüstrisi ve Ticaret A.Ş., the other two key founding shareholders of TAV Airports, have expressed their support in favour of this transaction and its prospects for TAV Airports.

Meanwhile, Groupe ADP sold its 49%-stake in TAV Investment, mother company of TAV Yatırım Holding A.Ş. ("TAV Construction"²), to Sera Yapi Endüstrisi ve Ticaret A.Ş./Sens Proje Gelistirme ve Yatırım A.Ş. and Tepe İnşaat Sanayi A.Ş. for an amount of €9 million³. This transaction was concluded on 20 July 2017.

Groupe ADP is thus deploying its international strategy, on the one hand, by increasing its commitment in the airport group TAV Airports as leading shareholder and, on the other hand, at refocusing its activities on its core business with the disposal of its stake in TAV Construction.

Since the completion of this transaction, which occurred on 7 July 2017, Groupe ADP has fully consolidated TAV Airports in its financial statements.

TAV Airports currently operates 14 airports in Turkey and around the world, and served 104 million passengers in 2016. The group is fully vertically integrated and provides all commercial services in the airports it operates and provides airports services in many airports around the world. TAV Airports intends to deploy its social and intellectual capital and strong balance sheet to take advantage of growth opportunities in airport operations and services such as duty free, food and beverage, ground handling, security, operation services and IT through both organic and inorganic growth.

Following this transaction, Dr. M. Sani Sener continues in his position as CEO of TAV Airports. M. Edward Arkwright will be proposed to be appointed as Chairman of the Board of Directors of TAV Airports by the next General Shareholders Meeting.

TAV Airports' Board of Directors would still be constituted by a total of 11 members, with 5 members to be appointed by Groupe ADP, 1 for who Tepe can propose a candidate and 1 for who Sera can propose a candidate and 4 independent members to be proposed by the Nomination Committee to the General Shareholder Meeting.

Profit linked to the cargo hub buildings

For memory, Aéroports de Paris SA and FedEx signed in July 2016 a memorandum of agreement for the cargo zone for the planned "extension 2" construction project and the leases extension until 2048.

The development of the project and the obtaining of the administrative approval thus allow, on 15 June 2017, the signing of all the contracts regarding:

- ◆ the extension until 2048, of all the FedEx hub real estate facilities on Paris-Charles de Gaulle airport, that is to say 108,500 sq.m. of facilities;
- ◆ the creation in 2019 of an additional 47,000 sq.m.-sorting building, certified according to the French HQE⁴ and British BREEAM⁴ high quality environmental standards;
- ◆ the provision, from 2017, of an additional 4-hectare equipment area.

These new facilities, implying for FedEx a total investment of €200 million (automated sorting center for all type of package, including large size packages...), will allow them to increase by 40% its processing capacity for packages.

In the case of cancellation of the lease by FedEx, the agreement conditions planned a compensation for Aéroports de Paris SA for the remaining rents until the termination of the contract.

In accordance with IAS 17 "Leases", the leasing of buildings is similar to a finance lease, given the transfer to FedEx of all the risks and benefits related to the construction. In addition:

- ◆ the term of the leases corresponds to the economic life of the leased assets;
- ◆ the discounted value of the minimum lease payments amounts to substantially all of the fair value of the leased asset.

Therefore, in the Group's consolidated financial statements, the contract appears as a credit sale and results in a pre-tax gain of €63 million for the period. This gain on disposal is on the line "Other income and expenses" and the corresponding receivable in Financial assets.

Regulated ROCE⁴ for 2016

As of 31 December 2016, the ROCE for the regulated scope was at 4.5%. The operating income for the regulated scope for 2016 amounted to €342 million and the regulated asset base amounted to €4,988 million.

Payment of the 2017 interim dividend

The Board of Directors of Aéroports de Paris decided in 2015 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 2017 financial year, this interim dividend amounts to €69 million, i.e. €0.70 per share. The ex-interim dividend date was 6 December 2017 and the interim dividend for 2017 was paid out on 8 December 2017.

¹ Completed on 7 July 2017. Please refer to the paragraph "Events having occurred since 30 June 2017".

² Since 31 December 2016, TAV Construction shares are accounted for "Assets for sale".

³ The transaction was completed on 20 July 2017. Please refer to the paragraph "Events having occurred since 30 June 2017".

⁴ Return on capital employed.

New appointments within Groupe ADP

Augustin de Romanet, Chairman and Chief Executive Officer of Groupe ADP, announces the following appointments on 1 August 2017:

- ◆ Franck Mereyde is appointed Deputy CEO of TAV Airports, in accordance with Sani Sener, CEO of TAV Airports, effective 1 September 2017;
- ◆ Marc Houalla is appointed Director of Paris-Orly Airport, and joins Groupe ADP's Executive Committee, effective 15 October 2017.

These appointments are part of the Connect 2020 strategic plan, which has led to the creation on 1 July 2017 of the Operations Division (DGO) headed by Franck Goldnadel and of ADP International, headed by Antonin Beurrier. As part of his new duties, Marc Houalla will work in coordination with the Operations Division.

Revision of TAV Airports 2017 forecasts

On 24 October 2017, during the publication of their results for the first nine months 2017, TAV Airports Group revised its forecasts for 2017 to reflect the better than expected recovery of traffic:

- ◆ **Istanbul Ataturk Airport international passenger traffic:** growth of between 4 and 6% in 2017 compared with 2016 (vs between +1 and +3% previously);
- ◆ **Istanbul Ataturk Airport international origin/destination passenger traffic:** growth of between 6 and 8% in 2017 compared with 2016 (vs flat previously);
- ◆ **Total TAV Airports passenger traffic:** growth between 6 and 8% in 2017 compared with 2016 (vs +4 and +5% previously);
- ◆ **Revenue:** growth expected between 1 and 3% in 2017 compared with 2016 (vs flat previously);
- ◆ **EBITDAR:** growth expected between 6 and 8% in 2017 compared with 2016 (vs flat previously).

Net profit and capex forecasts remain unchanged.

Groupe ADP signed a contract to take exclusive control on AIG, concessionaire of Amman Airport, Jordan

Groupe ADP signed on 22 December a contract to take exclusive control on Airport International Group ("AIG"), concessionaire of Queen Alia International Airport in Amman, Jordan. The co-shareholders will be Meridiam, ASMA Capital Partners B.S.C. (c), acting in its capacity as investment manager for IDB Infrastructure Fund II and Edgo.

With this take over, Groupe ADP, which has been a 9.5%-shareholder of AIG, through ADP International, since 2007, will be able to fully consolidate the financial statements of the concessionaire company.

This transaction results in an investment of USD267 million for Groupe ADP.

The completion of the transaction is subject suspensive conditions including the Government of Jordan and AIG's Lenders consents.

Queen Alia airport welcomed 7.4 million passengers in 2016 and was named the best airport of its size (5-15 million passengers) in the Middle East by the Airport Council International (ACI) based on the results of the 2016 Airport Service Quality (ASQ) Survey, the world's leading airport passenger satisfaction benchmark program.

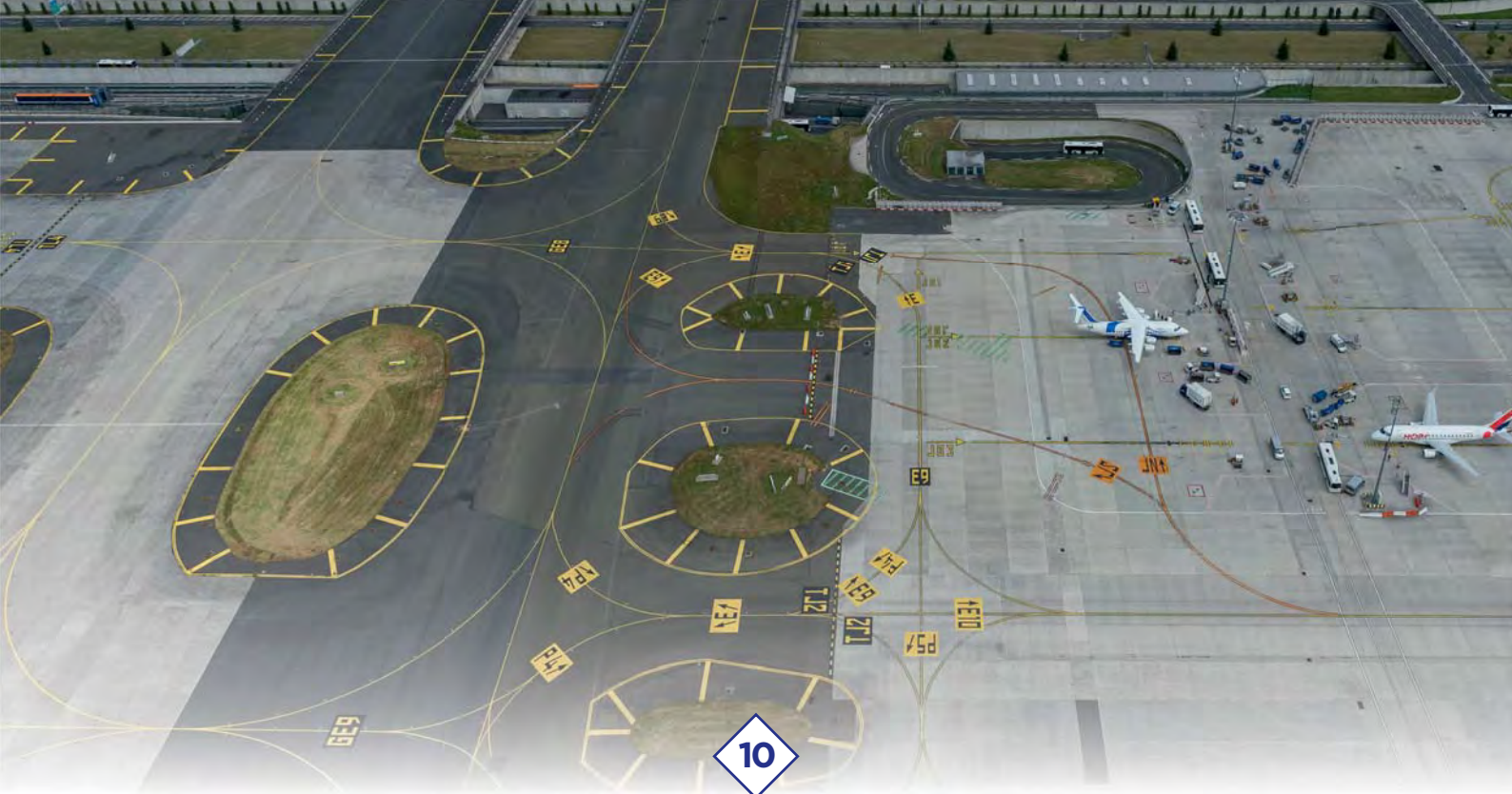
€500 million new bond issue

On 6 December 2017, Aéroports de Paris launched a bond issue for a total amount of €500 million with the following characteristics:

- ◆ format: Fixed rate;
- ◆ redemption: in fine;
- ◆ annual rate: 1.0%;
- ◆ re-offer spread: 25 bp over mid swap;
- ◆ re-offer yield: 1.036%;
- ◆ payment date: 13 December 2017;
- ◆ maturity date: 13 December 2027.

Aéroports de Paris is rated A+ (stable outlook) by Standard and Poor's.

This bond was issued on 13 December 2017 and will have to be reimbursed on 13 December 2027.



EQUITY AND CASH FLOWS ^{AFR}

10.1 SHAREHOLDER EQUITY

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10.5 GROUP COMMITMENTS

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10.1 SHAREHOLDER EQUITY

Group shareholders' equity was €4,577 million at 31 December 2017 compared with €4,284 million at 31 December 2016. The main changes in 2017 stem from the €136 million increase in 2017 net income, to €571 million and the distribution of a dividend for 2016 of €2.64 per share, or €261 million, corresponding to a net income distribution rate of 60%.

10.2 CASH FLOW

(in millions of euros)

	2017	2016
Cash flows from operating activities	1,270	875
Cash flows from investing activities	(888)	(624)
Cash flows from financing activities	(114)	(327)
Change in cash flow	254	(76)
Cash at opening	1,656	1,732
Cash at closing	1,910	1,656

Cash flows from operating activities

<i>(in millions of euros)</i>	2017	2016
Operating income (including operating activities of associates)	1,052	696
Other non-cash income and expenses	460	484
Net financial income other than cost of debt	(42)	(2)
Operating cash flow before change in working capital and tax	1,470	1,178
Change in working capital	113	(77)
Tax expenses	(313)	(226)
Cash flows from operating activities	1,270	875

Cash flow from investing activities

<i>(in millions of euros)</i>	2017	2016
Purchase of property, plant, equipment and intangible assets	(879)	(792)
Acquisitions of subsidiaries	20	(20)
Proceeds from sale of subsidiaries	21	71
Dividends received	42	70
Other cash flows from investing activities	(92)	47
Cash flows from investing activities	(888)	(624)

Cash flow from financing activities

<i>(in millions of euros)</i>	2017	2016
Proceeds from long-term debt	561	7
Repayment of long-term debt	(253)	(4)
Dividends paid to shareholders of the parent company	(261)	(258)
Other cash flows from financing activities	(161)	(72)
Cash flows from financing activities	(114)	(327)

Due to the full consolidation of TAV Airports, cash was up by €254 million in 2017 compared to 2016 and thus stood at €1,910 million (vs €1,656 million in 2016).

Cash flow from operating activities stood at €1,270 million, up by €395 million compared to 2016, resulting from an increase in operating income from ordinary activities (including operating income from ordinary activities of associates).

Cash flow from investing activities increased strongly by €264 million compared to 2016, and stood at -€888 million, due mainly to a significant increase in tangible and intangible investments, as described in chapter 5 "Capital Expenditures".

Cash flow from financing activities stood at -€114 million (vs -€327 million in 2016) resulting mainly from the cashing of the €500 million linked to the bond emitted by Aéroports de Paris, of long-term bond redemption for €253 million of which €108 million is linked to TAV Airports, and of €261 million of dividend payment.

10.3 INDEBTEDNESS

Net debt breaks down as follows:

<i>(in millions of euros)</i>	2017	2016
Financial debt	5,911	4,484
Derivative financial instruments (liabilities)	54	20
Gross financial debt	5,965	4,504
Derivative financial instruments (assets)	(27)	(91)
Receivables and current accounts from associates	(90)	(58)
Cash and cash equivalents	(1,912)	(1,657)
Restricted bank balances ¹	(189)	-
Debt related to the minority put option	50	11
Net financial debt	3,797	2,709
<i>Net financial debt / EBITDA</i>	<i>2.42</i>	<i>2.27</i>
<i>Net financial debt / equity (gearing)</i>	<i>70%</i>	<i>63%</i>

¹ The current portion of bank loans includes the bank loans of TAV Tunisia. Having failed to comply with the financing agreements because of its current difficulties following the events in Tunisia in 2015, TAV Tunisia's bank loans are presented as current liabilities in the amount of €342 million as of 31 December 2017.

The net debt/equity ratio stood is up at 70% as at 31 December 2017 compared to 63% at end of 2016¹. Group net debt grew to €3,797 million as at 31 December 2017 compared to €2,709 million at the end of 2016¹.

See also note 9.4 to the consolidated financial statements presented in Chapter 20.

On 27 January 2017, Aéroports de Paris redeemed a mature bond with nominal value of CHF200 million (€135 million), bearing interest at 2.50%.

On 13 December 2017, Aéroports de Paris launched a bond issue for a total amount of €500 million with the following characteristics:

- ◇ Format: Fixed rate;
- ◇ Redemption: in fine;
- ◇ Annual rate: 1.0%;
- ◇ Re-offer spread: 25 bp over mid swap;
- ◇ Re-offer yield: 1.036%;
- ◇ Payment date: 13 December 2017;
- ◇ Maturity date: 13 December 2027.

10.4 FINANCIAL RISK MANAGEMENT

See paragraph "Management of financial risk" in Chapter 4 and in the note 9.1 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 14 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.

¹ Pro forma (including current accounts with non-consolidated companies and debit related to the minority put option).



11

RESEARCH AND DEVELOPMENT, TRADEMARKS PATENTS AND LICENCES

11.1 RESEARCH AND DEVELOPMENT

Given its line of business, Aéroports de Paris carries out specific research and development, limited to its business operations.

11.2 TRADEMARKS, PATENTS AND LICENCES

Groupe ADP owns 80 trademarks worldwide which differentiate the Group's various business activities. It uses about 50 of these trademarks. The number of trademarks in the group's portfolio is slightly greater than the previous year due to the filing of new trademarks for passenger services.

The «Groupe ADP» brand speaks on behalf of all the activities in France and internationally.

It carries the relations with the public authorities, shareholders and financial markets, as well as partners.

Internally, it is the common foundation for belonging for all employees that it brings together around a corporate project.

The Paris Aéroport trademark carries with it a unique promise for travellers. It serves as a landmark and signifies its reception areas, services, and on-site and off-site retail establishments. The «Paris Aéroport» trademark covers the following areas: the sites and applications dedicated to

travellers, the content, the free and paying services, the promotion of the Parisian hub, marketing communications, general public events in and outside the sites.

Some subsidiaries of Groupe ADP use their own specific trademark, including Hub One. 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.



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INFORMATION CONCERNING TRENDS

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12.1 RECENT EVENTS

January and February 2018 traffic figures

In January 2018, Paris Aéroport saw 7.6 million passengers, an increase of 4.5% on January 2017. 5.2 million passengers travelled through Paris-Charles de Gaulle (+4.9%) and 2.4 million through Paris-Orly (+3.8%).

Passenger traffic at TAV Airports, 46.1%-owned by Groupe ADP, increased by 30.1% in January 2018.

In February 2018, Paris Aéroport welcomed 6.9 million passengers, an increase of 0.9% compared with February 2017. 4.7 million passengers travelled through Paris-Charles de Gaulle (+2.7%) and 2.2 million through Paris-Orly (-2.8%). Traffic was marked by the climatic conditions and by the strike of some air carriers.

Passenger traffic at TAV Airports, 46.1%-owned by Groupe ADP, increased by 19.7% in February 2018 compared to 2017.

Appointments within Groupe ADP

On 5 April 2018, Augustin de Romanet, Chairman & Chief Executive Officer of Aéroports de Paris SA - Groupe ADP, has announced the following appointments:

Mathieu Daubert is appointed Director of the Customer Division, member of the Executive Committee, starting 7 May 2018, to replace Laure Baume. He previously held the position of Head of Retail.

Fernando Echegaray is appointed Chief International Officer, member of the Executive Committee, starting 1 May 2018, to replace Antonin Beurrier. He previously held the position of Chief Operations Officer at ADP International.

Antoine Crombez has been appointed Chief of Staff, attached to the Chairman and CEO since the 1 April 2018.

Laure Baume and Antonin Beurrier decided to leave the group for new professional projects.

12.2 FORECASTS

Dividend distribution policy

During its meeting on 22 February 2018, the Board of Directors approved the social and consolidated financial statements for the year ended 31 December 2017. The Board of Directors decided to propose a dividend payment of €3.46 per share for 2017, reduced by the interim dividend for

2017 of €0.70/share, paid out on 8 December 2017, at the next Annual Shareholders General Meeting, to be held on 4 May 2018. Subject to the approval of the Annual General Meeting, the ex-dividend date would be on 6 June 2018, and payment would be made on 8 June 2018. This dividend corresponds to a payout ratio of 60% of the 2017 net income attributable to the group.

Terminal 1

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PROFIT FORECASTS

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13.1 2016-2020 PERIOD GUIDANCES

Groupe ADP 2016-2020 targets, as announced on 13 October 2015 remain unchanged and have to be understood independently from the effect of the full consolidation of TAV Airport. Groupe ADP will continue to present

a consolidated EBITDA excluding the effect of the full consolidation of TAV Airport in order to follow the 2020 EBITDA target.

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 2020e
Real estate	Growth in external rents (excluding re-invoicing and indexation) ranging from 10% to 15% between 2014 and 2020e

13.2 2018 GROUP FORECASTS

	2018 Forecasts
Traffic growth assumption	Traffic growth assumption for Paris Aéroport between 2.5% and 3.5% in 2018 compared to 2017 Traffic growth assumption for TAV Airports between +10% and +12% in 2018 compared to 2017
Consolidated EBITDA ¹	Increase of between 10% and 15% in 2018 compared to 2017, with the full-year effect of the full consolidation of TAV Airports and excluding the effects of any change in scope that may occur in 2018 2018 consolidated EBITDA excluding the full consolidation of TAV Airports: increase of between 2.5% and 3.5% in 2018 compared to 2017 Reminder of the TAV Airports EBITDA ² 's guidance: increase of between 5% and 7% in 2018 compared to 2017
Dividend for 2018	Maintained pay-out of 60% of NRAG 2018

¹ TAV Airports' EBITDA guidance, underlying Group's EBITDA guidance, is built on the following exchange rate assumption: EUR/TRY = 4.86 and EUR/USD = 1.22.

² EBITDA reported by TAV Airports includes the Ankara guaranteed pax revenue and the equity pick-up.

The achievement of these forecasts are subject to the assumption of traffic growth in Paris Aéroport and the good run of TAV Airports' strategy.

13.3 STATUTORY AUDITORS' REPORT ON THE PROFIT FORECASTS FOR THE YEAR ENDED DECEMBER 31, 2018

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with and is construed in accordance with French law and professional standards applicable in France.

To the Chairman and Chief Executive Officer,

In our capacity as statutory auditors of your Company and in accordance with Commission Regulation (EC) no. 809/2004, we hereby report to you on the "consolidated EBITDA" forecast for Aéroports de Paris set out paragraph "Forecast of the Group for 2018" in chapter 13.2 "Profit forecasts" of its Registration Document.

It is your responsibility to compile the profit forecasts, together with the material assumptions upon which they are based, in accordance with the requirements of Commission Regulation (EC) no. 809/2004 and ESMA's recommendations on profit forecasts.

It is our responsibility to express our conclusion, based on our work, in accordance with Annex I, paragraph 13.2 of Commission Regulation (EC) no. 809/2004, as to the proper compilation of these forecasts.

We performed the work that we deemed necessary in accordance with professional guidance issued by the French institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes). Our work included an assessment of the procedures undertaken by management to compile the profit forecasts as well as the implementation of procedures

to ensure that the accounting policies used are consistent with the policies applied by Aéroports de Paris for the preparation of the historical financial information. Our work also included gathering information and explanations that we deemed necessary in order to obtain reasonable assurance that the profit forecasts have been properly compiled on the basis stated.

Since profit forecasts, by nature, are uncertain and may differ significantly from actual results, we do not express an opinion as to whether the actual results reported will correspond to those shown in the profit forecasts.

In our opinion:

- ◆ these profit forecasts have been properly compiled on the basis stated; and
- ◆ that basis of accounting used for the profit forecasts is consistent with the accounting policies adopted by Aéroports de Paris.

This report is issued solely for the purpose of:

- ◆ filing the Registration Document with French financial markets authority (Autorité des Marchés Financiers - AMF),
- ◆ and, if needed, the admission to trading on a regulated market, and/or a public offer, of shares or debt securities with a minimum denomination of €100,000 of Aéroports de Paris in France and in other EU member states in which the prospectus, including this registration document, approved by the AMF is notified;

and cannot not be used for any other purpose.

Neuilly-sur-Seine and Paris-La Défense, March 30, 2018

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES

Christophe Patrier

Olivier Broissand

ERNST & YOUNG Audit

Jacques Pierres

Alban de Clavier



14

ADMINISTRATION AND EXECUTIVE MANAGEMENT BODIES

14.1 BOARD OF DIRECTORS ^{AFR}

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14.1 BOARD OF DIRECTORS ^{AFR}

Since 22 July 2005 Aéroports de Paris has been a public limited company with a Board of Directors.

Composition of the Board of Directors on the date of filing of this Registration Document

The Company has been managed by a Board of Directors since 15 July 2009, 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. As of 11 May 2017, the Company has been governed by Order No. 2014-948 of 20 August 2014 on governance and equity transactions of companies with a public shareholding.

The Board of Directors consists of three to eighteen members in accordance with Article 13 of the Company's Articles of Association. It currently consists of six directors appointed by the Annual General Meeting of Shareholders, a director representing the French State, four directors proposed by the French State and appointed by the General Annual Meeting of Shareholders and six directors representing employees.

The shareholders, at their General Meeting of 15 May 2014, renewed the terms of office 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. Jacoba van der Meijs was co-opted by the Board of Directors on 23 May 2017 to replace Els de Groot, who resigned as of 12 May 2017.

In application of the above-mentioned Order, the director representing the French State is Solenne Lepage, appointed by Decree on 11 May 2017, and previously appointed by Decree on 11 July 2014. The Shareholders Meeting of 11 May 2017, as proposed by the State, appointed: Michel Massoni, Geneviève Lime Debry, Muriel Pénicaut (resigned as of 17 May 2017) and Denis Robin. These persons had previously been appointed by Decree on 11 July 2014 and 22 April 2015. Perrine Vidalenche was appointed, for the first time, by the General Meeting of Shareholders on 11 May 2017, on proposal by the French State.

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), Laurence Arrieui (CFE/CGC), Serge Gentili (FO), Frédéric Gillet (CFE/CGC), Jean-Paul Jouvent (UNSA/SAPAP) and Joël Vidy (CGT).



In application of Article 13 of the Articles of Association, non-voting Board members attend meetings of the Board of Directors in an advisory capacity. Bernard Irion and Christine Janodet were appointed as non-voting Board members by the 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. Gilles Leblanc, previously a director, was appointed a non-voting Board member by the General Meeting of Shareholders of 11 May 2017.

Pursuant to Article 13 of the Company's Articles of Association, the term of office for directors and non-voting Board members is for five years.

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 and Marc Borel, Director of Air Transport, were appointed Government Commissioner and Deputy Government Commissioner respectively at Aéroports de Paris by Order of the Minister for Civil Aviation on 19 October 2007 and 15 June 2015.

Béatrice Mathieu de Lavergne, Economic and Financial Corporate Controller and Pascal Papaux, appointed Secretary of the Works Council, also attend Board meetings in a non-voting capacity.

As part of the assessment of its operations, the Board of Directors of Aéroports de Paris set balance and diversity objectives for its composition and that of its committees. Given Aéroports de Paris' activities, directors are selected from among representatives of the air transport world, managers of major French and international industrial companies and experts in the environmental fields in which the Company operates. The goal is to guarantee shareholders and the market that it will carry out its duties competently, independently and objectively. Both the organisation of the Board and its composition are appropriate with regard to the shareholding, the nature of Aéroports de Paris' core business and, in particular, its public service mission as an airport. The membership of the Board of Directors is balanced, with 45% women. In addition, debates are enriched by 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 committees is based on the same principles of balanced composition.

			Independence as defined in the AFEP-MEDEF Code		Committee members		
	Gender	Nationality	Non-independent	Independent	Audit and Risk Committee	Strategy and Investment Committee	The Compensation, Appointments and Governance Committee
DIRECTORS APPOINTED BY THE GENERAL MEETING OF SHAREHOLDERS THE MANDATE CAME INTO EFFECT ON 15 JULY 2014, FOR A PERIOD OF FIVE YEARS							
Augustin de Romanet	Male	French	Chairman and Chief Executive Officer			Chairman X	
Jacques Gounon	Male	French		Independent director	Chairman X		X
Jacoba van der Meijs, replacing Els de Groot	Female	Dutch	Executive officer of Royal Schiphol Group on whose Board of Directors a director of Aéroports de Paris sits				
Jos Nijhuis	Male	Dutch	Executive officer of Royal Schiphol Group on whose Board of Directors a director of Aéroports de Paris sits			X	
Vinci represented by Xavier Huillard	Male	French	Significant business relationship				X
Prédica represented by Françoise Debrus	Female	French		Independent director	X		Chairman X
DIRECTOR REPRESENTING THE FRENCH STATE, APPOINTED BY DECREE ON 11 MAY 2017 THE MANDATE CAME INTO EFFECT ON 11 MAY 2017, FOR A PERIOD OF FIVE YEARS							
Ms Solenne Lepage	Female	French	Majority shareholder		X	X	X
DIRECTORS APPOINTED BY THE GENERAL MEETING OF SHAREHOLDERS OF 11 MAY 2017, ON PROPOSAL BY THE FRENCH STATE THE MANDATE CAME INTO EFFECT ON 11 MAY 2017, FOR A PERIOD OF FIVE YEARS							
Geneviève Chaux Debry	Female	French	Representative of the interests of the French State, shareholder			X	
Michel Massoni	Male	French	Representative of the interests of the French State, shareholder				
Denis Robin	Male	French	Representative of the interests of the French State, shareholder				
Perrine Vidalenche	Female	French	Representative of the interests of the French State, shareholder				
DIRECTORS REPRESENTING EMPLOYEES THE MANDATE CAME INTO EFFECT ON 15 JULY 2014, FOR A PERIOD OF FIVE YEARS							
Brigitte Blanc (CGT union)	Female	French	Not included in the calculation				
Laurence Arrieu (CFE/CGC) union, replacing Marie-Anne Dansimoni	Female	French	Not included in the calculation				
Serge Gentili (FO union)	Male	French	Not included in the calculation		X		
Frédéric Gillet (CFE/ CGC union)	Male	French	Not included in the calculation				
Jean-Paul Jouvent (UNSA/SAPAP union)	Male	French	Not included in the calculation				X
Joel Vidy (CGT union), replacing Frédéric Maugin	Male	French	Not included in the calculation				



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 report on corporate governance.

Details of the offices and positions held in companies by the corporate officers during the 2017 financial year are available in the report on corporate governance, in Appendix 2 of this Registration Document, in the section on Governance.

On 1 March 2018, the following changes were made:

following the meeting of the Board of Directors on 22 February 2018, Laurence Arrieu replaces Mariane Donsimoni as a director representing employees.

On 1 March 2018, Joël Vidy replaces Frédéric Mougin as a director representing employees

// LAURENCE ARRIEU

DATE OF BIRTH :

19 november 1960

NATIONALITY :

French

OTHER MANDATES AND DUTIES CURRENTLY HELD

♦ In charge of the economic and social co-operation department within the Sustainable Development Division of Aéroports de Paris

DATE OF FIRST APPOINTMENT:

23 February 2018 replacing Marie-Anne Donsimoni

START DATE OF CURRENT MANDATE:

15 July 2014 (election of 20 May 2014)

SPONSORED BY THE:

CFE-CGC union

MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS

♦ None

// JOËL VIDY

DATE OF BIRTH:

30 December 1960

NATIONALITY:

French

OTHER MANDATES AND DUTIES AVERAGE RATE

Planning and scheduling Technician at the direction of technology and luggage from Aéroports de Paris to Paris-Orly

DATE OF FIRST APPOINTMENT:

1st March 2018 replacing Frédéric Mougin

START DATE OF CURRENT MANDATE:

15 July 2014 (election of 20 May 2014)

SPONSORED BY THE:

CGT union

MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS

♦ None

Executive Management

Organisation of Executive Management

Augustin de Romanet was renewed in his functions of Chairman & Chief Executive Officer of Aéroports de Paris by decree dated 24 July 2014.

Article 14 of the Articles of Association of Aéroports de Paris states that the Chairman of the Board of Directors is also responsible for the executive management of the Company. His title is Chairman and CEO. He is appointed by decree from among the directors on proposal by the Board of Directors.

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 CEO is suited to the company's context. The Board of Directors confirmed this choice by proposing that the General Meeting of Shareholders of 11 May 2017 include it in the Company's Articles of Association.

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.

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.

At the request of the Board of Directors, the Compensation, Appointments and Governance Committee ensured that business continuity measures have been implemented for the Company. The measures are based on the provisions of Article 21 of Order No. 2014-948 of 20 August 2014 on governance in the event of that the position of Chairman and CEO becomes vacant and on the delegations of the Chairman and CEO granted to the members of the Executive Committee.

The Chairman and CEO cannot hold more than two other director mandates in listed companies outside of the group, including foreign companies. In addition, the prior opinion of the Board is required before he can accept a new corporate mandate in a listed company. The mandates exercised by the Chairman and CEO are provided above.

14.2 PERSONAL INFORMATION CONCERNING MEMBERS BOARD OF DIRECTORS

Family ties, convictions, bankruptcies, conflicts of interest and other information

To the Company's knowledge, on the date of filing of this Registration 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 best of the Company's knowledge as of the filing date of this Registration Document, during the last 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 this 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 filing of this Registration 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 Predica 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 enable these members to comply with Article 13.IV. of Aéroports de Paris' Articles of Association).



15

COMPENSATION AND BENEFITS OF CORPORATE OFFICERS

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15.1 CORPORATE OFFICER COMPENSATION

2018 executive officer compensation policy

The compensation of the Chairman & CEO for financial year 2018 was adopted by the Board of Directors on 20 December 2017 on the advice of the Compensation, Appointments and Governance Committee and submitted for approval 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).

Note that the approval of the General Meeting of Shareholders will be required (i) for any changes to the compensation items already approved by the General Meeting of Shareholders, and (ii) for the renewal of Augustin de Romanet's term of office as Chairman and CEO.

Should the General Meeting of Shareholders of 4 May 2018 fail to approve resolution no. 17, the principles and criteria previously approved by the General Meeting of Shareholders of 11 May 2017 in application of article L. 225-37-2 of the French Commercial Code will continue in effect.

The gross annual amount of the Chairman and CEO's fixed compensation for the year 2018 is set, unchanged, at €350,000.

The Chairman and CEO's maximum annual gross variable compensation is set at €100,000. This portion is based on:

- ◆ three quantitative objectives: Group EBITDA (weight: 25%), Group ROCE (20%) and departing passenger satisfaction (10%); the performance level for each of these objectives ranges from 70% (nil below this) to 110%;

◇ three qualitative objectives:

- ◆ Groupe ADP's attractiveness and customer service policy in favour of airlines and passengers, notably continuation of the CDG Express project (10%),
- ◆ the Company's corporate social responsibility, including managerial mobilisation and employee safety (10%):
 - ◆ definition and deployment of actions to further Aéroports de Paris' community involvement in its various facets: governance, the environment, human capital, purchasing/customers, community involvement,
 - ◆ Mobilisation plan for employee safety,
- ◆ the strategy and management policy for subsidiaries and affiliates, notably internationally (25%): management of the international and investment strategy, in particular, with the increased level of investment in TAV Airport.

The performance level for each of these objectives ranges from 80% (nil below this) to 120%.

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 and CEO's gross annual variable compensation in respect of 2018 will be submitted for the approval of the Minister of the Economy under article 3 of French Decree No. 53-707 of 9 August 1953. Payment will be subject to approval by the Annual General Meeting of Shareholders to be held in 2019 (and will be called to approve the financial statements for the year ending 31 December 2018) in accordance with article L. 225-37-2 of the French Commercial Code.

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.

The Company has not set up any stock-option or share-purchase schemes that benefit the Chairman & Chief Executive Officer.

It is reiterated that the Board of Directors of Aéroports de Paris, from 2008, adhered to the recommendations of the AFEP-MEDEF on the remuneration of executive officers of companies whose shares are allowed for negotiation in an official market.

The maximum amount of the variable portion for corporate officers was set as an absolute value and not a percentage. Decree no. 2012-915 of 26 July 2012 amending that of 9 August 1953 capped the compensation of corporate¹ officers of public companies to which this Decree is applicable, including Aéroports de Paris, at €450,000. The fixed compensation proposed by the Board of Directors and approved by the Minister of the Economy for the Chairman and CEO is €350,000. It was also decided that the amount of the variable component payable to the Chairman & Chief Executive Officer could allow the statutorily authorised ceiling to be reached: the maximum amount is therefore predefined by the Board of Directors at €100,000 and is clearly expressed directly as a monetary value.

Amount of compensation payable and paid to corporate officers during the 2017 year

Augustin de Romanet, Chairman and CEO

The following compensation and benefits were due or paid to Augustin de Romanet in respect of his duties as Chairman and CEO of Aéroports de Paris during the year 2017 in application of the criteria approved in the 21st resolution of the General Meeting of Shareholders of Aéroports de Paris of 11 May 2017. In accordance with article L. 225-37-2 of the French Commercial Code, payment of the components of gross annual variable compensation to the Chairman and CEO for the year 2017 will be conditional on approval by the Annual General Meeting of Shareholders to be held on 4 May 2018.

The gross annual amount of fixed compensation payable to the Chairman and CEO was €350,000.

The maximum gross variable compensation of the Chairman and CEO is set at €100,000. It is based on three quantitative objectives: the amount of the Group EBITDA Group (weight: 25%), Group ROCE (15%), rates of passengers satisfaction at departure (15%) and 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%).

Achievement of each of these objectives was reviewed by the Board of Directors on 22 February 2018, on the advice of the Compensation, Appointments and Governance Committee, and will be submitted for approval by the French Minister of the Economy within the framework of article 3 of Decree No. 53-707 of 9 August 1953 (as amended).

The weighting given to each objective defines the fraction of the variable remuneration linked to it.

The objectives were achieved as follows: 105% for the quantitative objectives (of which EBITDA = 110%, ROCE = 110%, departing passenger satisfaction = 90 and 105% for the qualitative objectives (of which the policy to enhance attractiveness and customer service = 110%, corporate social responsibility = 105%, and the strategy and management of subsidiaries and affiliates = 100%).

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.

The Board of Directors has acknowledged Augustin de Romanet's waiver of attendance fees from Aéroports de Paris, for which the decision regarding the allocation and division among the Directors was modified by deliberation of the Board of Directors on 21 June 2017.

No stock option plan and no performance share allocation plan have been implemented by the Company for its corporate officers.

No benefits or compensation were paid to Augustin de Romanet by companies controlled by Aéroports de Paris.

¹ The decree only addresses benefits in kind above the €450,000 ceiling.

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
Executive Officers								
Augustin de Romanet Chairman and CEO Start of mandate: 15/07/2014 Anticipated end of mandate: 14/07/2019		◆		◆		◆		◆
Patrick Jeantet Chief Operating Officer Start of mandate: 15/07/2014 End of mandate: 25/05/2016		◆		◆		◆		◆

Augustin de Romanet

(in euros)	2017	2016
Compensation due for the financial year	456,165	450,473
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
TOTAL	456,165	450,473

(in euros)	2017		2016	
	Amounts due ¹	Amounts paid ²	Amounts due	Amounts paid
Fixed compensation	350,000	350,000	350,000	350,000
Variable compensation	100,000	95,500	95,500	100,000
Differed variable compensation	None	None	None	None
Exceptional compensation	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	6,165	6,165	4,973	4,973
TOTAL	456,165	451,665	450,473	454,973

¹ Subject to approval by the Annual General Meeting of Shareholders of the Company of 4 May 2018.

² The components of variable compensation will be paid after approval by the General Meeting of Shareholders as part of Say on Pay, ex post.

Patrick Jeantet (mandate terminated on 25 May 2016)

(in euros)	2017	2016
Remuneration due for the financial year	-	168,215
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
Supplementary pension scheme	-	None
TOTAL	-	168,215

(in euros)	2017		2016	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	-	-	132,000	132,000
Variable remuneration	-	34,600 ¹	34,600 ¹	100,000
Differed variable remuneration	None	None	None	None
Exceptional remuneration	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	-	-	1,615	1,615
TOTAL	-	34,600	168,215	233,615

¹ Approval by the General Meeting of Shareholders on 11 May 2017.

15.2 COMPENSATION PAID TO BOARD MEMBERS

In 2016, directors representing the French government 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 General Meeting of Shareholders received attendance fees in respect of 2016, paid in 2017. Augustin de Romanet waived the attendance fees as director of Aéroports de Paris.

In 2017, the General Meeting of Shareholders of 11 May decided to increase the annual attendance fees to €350,000 to take into account the increase in the number of Directors (i.e. the Director representing the State and those proposed by the State and appointed by the General Meeting of Shareholders) and of eligible non-voting Board members and to enable

the revaluation of the unit amounts allocated per session, unchanged since 2006. The new provisions were applicable starting on 12 May 2017. Note that the compensation is paid:

- ◇ to the State budget for the Director appointed by government Decree (article 5 of Order No. 2014-948 of 20 August 2014);
- ◇ to the State budget for Directors proposed by the State and appointed by the General Meeting of Shareholders of 11 May 2017, who are civil servants (article 6 V of the above-mentioned Order);
- ◇ to the State budget for any compensation exceeding a cap for Directors proposed by the State and appointed by the General Meeting of Shareholders of 11 May 2017, who are not civil servants (article 6 V of the above-mentioned order).

Gross amount (in euros)	2017	2,016
Jacques Gounon	48,310	33,380
Els de Groot (until 22nd May 2017) ¹	2,860	12,870
Jacoba van der Meijs (from 23rd May 2017) ¹	6,800	-
VINCI represented by Xavier Huillard	17,620	14,300
Jos Nijhuis(1)	15,920	10,010
Augustin de Romanet	-	-
PREDICA represented by Françoise Debrus	41,840	29,180
Board members designated by State order - Solenne Lepage	32,300	-
Board members proposed by the State and nominated by the shareholder general meeting - Geneviève Chaux-Debry	17,000	-
Board members proposed by the State and nominated by the shareholder general meeting - Michel Massoni	11,900	-
Board members proposed by the State and nominated by the shareholder general meeting - Denis robin	6,800	-
Board members proposed by the State and nominated by the shareholder general meeting - Perrine Vidalenche	11,900	-
TOTAL	213,250	99,740

¹ 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 Board of Directors' meeting of 21 June 2017 also confirmed the withholding of an amount on the overall annual attendance fees allocated to the Directors appointed by the General Meeting of Shareholders in order to pay fees to the non-voting Board members, in the amount of half

of the compensation paid to a Director, i.e. €850 for each attendance at a meeting of the Board or of an ad-hoc committee, up to ten meetings a year, applicable as of 12 May 2017.

The non-voting Board members, appointed by the Annual General Meeting of Shareholders, received attendance fees for 2016 and 2017 that were, respectively, paid in 2017 and 2018.

<i>Gross amount (in euros)</i>	2017	2016
Anne Hidalgo	-	715
Bernard Irion	7,960	7,150
Christine Janodet	7,110	7,150
Gilles Leblanc (from 11 May 2017)	2,550	-

15.4 SHARES IN THE COMPANY HELD BY THE DIRECTORS AND NON-VOTING MEMBERS OF THE BOARD

The Director representing the State, the Directors proposed by the State and named by the General Meeting of Shareholders, 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: 300;
- ◆ Jabine van der Meijs: 1;
- ◆ Jos Nijhuis: 1;
- ◆ Société Predica Prévoyance Dialogue du Crédit Agricole, represented by Ms Debrus: 5,052,591;
- ◆ Anne Hidalgo: 0;

- ◆ Bernard Irion: 500;
- ◆ 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 article 9 of the regulation (EU) No. 596/2014 of 16 April 2014 on market abuse, people exercising managerial responsibilities and their relatives must declare transactions performed in 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 €4,069 million in 2017 for 12 members sitting as of 31 December, compared with €3,380 million in 2016 for 12 members sitting as of 31 December. This change is largely

due to the full-year effect for members of the COMEX who joined the committee in 2017 and the remaining balances of all types for members who left it during fiscal 2017. No stock option plans have been set up by the Company for its non-corporate officer Executive Committee members.



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FUNCTIONING OF THE BOARD OF DIRECTORS AND MANAGEMENT BODIES

16.1 FUNCTIONING OF THE BOARD OF DIRECTORS AND MANAGEMENT BODIES ^{AFR}

The Board of Directors
Executive Management
Executive Committee

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16.2 FUNCTIONING OF THE COMMITTEES LINKED TO THE BOARD OF DIRECTORS

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16.3 CORPORATE GOVERNANCE – ADHERENCE TO THE PRINCIPLES OF GOVERNANCE

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16.1 FUNCTIONING OF THE BOARD OF DIRECTORS AND MANAGEMENT BODIES ^{AFR}

The Board of Directors

The Board of Directors is the collegial body of the Company which determines the direction of Aéroports de Paris' activities and oversees their implementation, as specified in article 16 of its Articles of Association. 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, the Articles of Association and the 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 can be viewed at www.parisaeroport.fr. They lay out the duties of the Board of Directors and its members, and how the Board and its committees shall operate an Audit and Risk Committee, a Strategy and Investments Committee and a Compensation, 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). 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 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 Internal Rules provide that once a year, the Board discusses its own performance, and proposes amendments to the said 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 evaluation was conducted by an external provider in 2016. In 2017, the Board of Directors decided to undertake an internal assessment, the conclusions of which were reported during the Board of Directors' meeting of 20 December 2017. The members of the Board of Directors were very positive about the conditions under which the governance promotes the Board's activities. The Board of Directors was pleased to report that every director is able to state their point of view and thereby enrich the quality of the debates. The Board believes that it is necessary to focus on issues related to the Company's international development and, in addition to the Company itself, everything involving the Group. The synergies between the activities of the Strategy and Investment Committee and those of the Board have been capitalised on as set out in the recommendations resulting from the external assessment carried out in 2016.

Meetings of the Board of Directors

The Chairman and CEO convenes Board meetings at regular intervals and 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 Board members meet without the Chairman and CEO when they are reviewing the latter's compensation.

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, the Board of Directors also has its own powers by virtue of the French Civil Aviation Code. Lastly, the Board of Directors decided at its meeting on 29 April 2009 to limit the powers of the Chairman & Chief Executive Officer.

The powers of the Board of Directors, listed in the Rules of Procedure, can be consulted in the Corporate Governance report (see Appendix 2) and online at www.groupeadp.fr.

Information for members of the Board of Directors

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 and CEO 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 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 Internal Rules of the Board of Directors contain provisions intended to prevent any conflict of interests, any interference between a public interest and public or private interest, 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 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 is 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 situation conflict being noted, the Board member must abstain from voting on the matter in question.

Board of Directors' activity in 2017

The Board of Directors met twelve times in 2017 with an attendance rate of 80% to discuss subjects concerning the following:

- ◇ governance, in particular:
 - ◆ the implementation, as of 12 May 2017, of the provisions of Order No. 2014-948 of 20 August 2014 on governance of companies with a public shareholding enabling, among other things, the appointment of Directors representing the interests of the French State as a shareholder by the General Meeting of Shareholders,
 - ◆ the annual review of the independence criteria for Directors with regards to the AFEP-MEDEF Code, based on the setting of quantitative and qualitative criteria to assess the significant nature or not of the relationship between Aéroports de Paris and the members of the Board of Directors,
 - ◆ external appraisal of the operation of the Board of Directors,
 - ◆ submission to the General Meeting of Shareholders of an increase in overall attendance fees and adjustment of the allocation scale;
- ◇ executive officer compensation (Chairman and CEO and Chief Operating Officer):
 - ◆ variable compensation for 2016 – achievement of objectives and the amount of variable compensation for the executive officers,
 - ◆ the Chairman and CEO's 2018 compensation: setting the amount of the fixed component and the objectives for the variable component,
 - ◆ submission to the Annual General Meeting of Shareholders of the ex-ante and ex-post resolutions on executive officer compensation;
- ◇ the convening of the Shareholders' General Meeting for 11 May 2017;
- ◇ the management of the business, and in particular approving the corporate and consolidated financial statements for 2016 and the half year financial statements for 2017; adopting the Management Report for 2016; preparing the management planning documents and the report on the development of Aéroports de Paris SA; updating the Group's consolidated budget forecast for 2017 and the cost reduction plan; the budget for the 2018 accounting period for the Group; setting the tariff for aeronautical charges for 2018; authorising sureties, endorsements and guarantees; authorising subscriptions for bond issues; authorising the signing of regulated agreements, re-examination of the regulated agreements authorised previously and in progress in 2017, payment of interim cash dividends for the 2017 financial year;
- ◇ the group's strategy and investments as illustrated by the progress report of 31 December 2016 on the «CONNECT 2020» strategic plan, by the 2018-2022 investment programme and the related financing plan, by Groupe ADP's real estate strategy, the digital and innovation strategy, and the review of the main investment projects (CDG Express, etc.);
- ◇ international development, notably:
 - ◆ the creation of ADP International (a wholly-owned Aéroports de Paris subsidiary) to manage the Company's international business,
 - ◆ increased stake in the capital of TAV Airports, bringing Groupe ADP's share from 38% to 46.12%,
 - ◆ the participation in the call for tenders for the international airports concession;
- ◇ monitoring of subsidiaries, the disposal of the holding in TAV Investment (TAV Construction), the disposal of 80% of the Hub Safe subsidiary;
- ◇ Aéroports de Paris' contribution to the French Compensation Fund for Airport Nuisance (FCNA);
- ◇ Aéroports de Paris SA's professional equality and equal pay policy; health and safety in the workplace;

- ◇ the status of the Groupe ADP risk mapping in 2017 and approval of the report of the Chairman of the Board of Directors relating to financial year 2016;

- ◇ CSR performance.

Executive Management

Augustin de Romanet was renewed in his functions of Chairman & Chief Executive Officer of Aéroports de Paris by decree dated 24 July 2014.

Article 14 of the Articles of Association of Aéroports de Paris states that the Chairman of the Board of Directors is also responsible for the executive management of the Company. His title is Chairman and CEO. He is appointed by decree from among the directors on proposal by the Board of Directors.

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 CEO is suited to the company's context. The Board of Directors confirmed this choice by proposing that the General Meeting of Shareholders of 11 May 2017 include it in the Company's Articles of Association.

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.

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.

At the request of the Board of Directors, the Compensation, Appointments and Governance Committee ensured that business continuity measures have been implemented for the Company. The measures are based on the provisions of article 21 of Order No. 2014-948 of 20 August 2014 on governance in the event of that the position of Chairman and CEO becomes vacant and on the delegations of the Chairman and CEO granted to the members of the Executive Committee.

The Chairman and CEO must not hold more than two other director mandates in listed companies outside of the group, including foreign companies. In addition, the prior opinion of the Board is required before he can accept a new corporate mandate in a listed company. The duties of the Chairman and CEO are provided in chapter 14.

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 to the Company 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, Chief International Officer: Antonin Beurrier;
- ◆ Executive Director: Henri-Michel Comet;
- ◆ Executive Director, Director of Paris-Charles de Gaulle airport: Marc Houalla;
- ◆ Executive Director, Chief Financial Officer Finance, Strategy & Administration: Philippe Pascal;
- ◆ Director, Real Estate Division: Serge Grzybowski;
- ◆ Group General Secretary: Didier Hamon;
- ◆ Communication Director: Elise Hermant;
- ◆ Managing Director of Paris-Orly airport: Régis Lacote;
- ◆ Group Chief Information Officer: Gilles Lévêque;
- ◆ Director; Engineering & Development Division: 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. Previously Chief Executive Officer of *Caisse des dépôts et consignations* between March 2007 and March 2012, Augustin de Romanet also chaired the Strategic Investment Fund between 2009 and 2012. Prior to that, he served as Deputy Finance Director of Crédit Agricole SA, and as 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. Between 2002 and 2005, he was chief of staff to 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. As regards his mandates within Groupe Aéroports de Paris, Augustin de Romanet is Chairman and Director of Média Aéroports de Paris (a simplified joint stock company, or SAS, a joint venture with JCDecaux), 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 the Groupe ADP Corporate Foundation. As regards his other mandates, 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), a public industrial and commercial establishment and, since 11 February 2016, a member of the Supervisory Board of the Cercle des Économistes SAS and since 23 November 2017 has been Chairman of the Board of Directors of the public establishment of the national estate of Chambord (France). Senior Independent Director of the European listed company, SOCOR, he is a member of the Compensation Committee, the Strategic Committee, the Crisis Management Committee and the Corporate Social Responsibility 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 Finance 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 has been a Board Director and Chairman of ADP International SA (formerly Aéroports de Paris Management) since 29 June 2017, 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 Investissements and Cœur d'Orly Commerce, 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). He is also Chairman of ADP Invest 1 SASU (innovation segment) since July 2017 and Chairman of ADP Invest SASU (innovation segment) since October 2017. As regards the TAV Group (governed by Turkish law), of which Aéroports de Paris is the leading shareholder, Mr Arkwright has been Chairman of the Board of Directors and member of the Appointments Committee of TAV Havalimanlari Holding A.S. ("TAV Airports") since 7 July 2017. 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 2002 she 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, Ms Baume has served within Groupe ADP 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. Since 14 December 2016 she has also been an independent director of the Orpea Group.

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 and chief of staff to the Prefect of Puy-de-Dôme, followed by a spell 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), before becoming Head 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. In Groupe ADP he was named CEO of ADP International (a public limited company and subsidiary of Aéroports de Paris, previously named Aéroports de Paris Management), where he also serves as a Board member. In addition, he is a Board Director and Chairman of ADP Ingénierie (a public limited company and subsidiary of Altuglas International SA). As regards TAV Airports (governed by Turkish law), of

which Aéroports de Paris is the leading shareholder, Mr Beurrier is Vice-Chairman of the Board of Directors and member of the appointments committee and of the risk committee of TAV Havalimanlari Holding A.S. ("TAV Airports").

Henri-Michel COMET, born on 2 February 1957, graduate of the National School of Administration (ENA), holds a masters degree in public law and is a graduate of the Paris Institute of Political Studies (IEP). From 1982 to 2004, he held various positions as Prefect, within the Ministries of the Interior and Overseas Territories, as well as in the offices of different Prime Ministers. He was appointed Prefect in 1995. From 2004 to 2005, Henri-Michel Comet was Deputy Director of the office of the Minister of the Interior, Internal Security and Liberty. From 2005 to 2007, he was an advisor in the office of the Prime Minister. From 2007 to 2009, Henri-Michel Comet was Prefect of the Picardy Region and Prefect of the Somme Department, then from 2009 to 2011, General Secretary of the Ministry of the Interior, Overseas Territories and Local Government. From 2011 to 2014, he was Prefect of the Midi-Pyrénées Region and Prefect of the Haute-Garonne Department. In 2014, he was appointed Prefect of the Pays de la Loire Region, prefect of Loire-Atlantique, then in 2017, Prefect of the Auvergne-Rhône-Alpes Region, and Prefect of the South East defence and security area. Henri-Michel Comet joined Aéroports de Paris on 12 March 2018 as Executive Director. Henri-Michel Comet is an officer of the Legion of Honour, commander of the National Order of Merit, officer of the Academic Palms and knight of the Arts and Letters.

Marc HOUALLA, born on 10 February 1961, has an engineering degree from ENAC and is also a civil engineer, with a Master of Business and Administration from HEC. After starting his career with Transport Canada, he joined the Civil Aviation division in 1987, where he successively held positions as Associate Engineer in the Technical Department of Air Navigation in Paris, then Head of the Technical and Finance Departments of SEFA (*Service d'Exploitation de la Formation Aéronautique*). From 1996 to 1998 he worked at SOFREAVIA (Société de conseil et d'ingénierie du transport aérien) as a Business and Financial Consultant. In 1998, he was appointed Director of Operations of Civil Aviation/South. In 2003, he became Director of the main airport of Marseille Provence; then in 2006, he created the South/Southeast Air Navigation Department in Marseille, of which he is the Director. In December 2006 he was named Chief of SEFA. In November 2008, Mr Houalla became director of the National Civil Aviation School (ENAC), a position that he combined with that of Chief of SEFA until SEFA was merged into ENAC. Mr Houalla joined Groupe ADP on 15 October 2017 as Director of Paris-Orly airport and member of the Executive Committee. Mr Houalla is Chairman of the organisation Toulouse Tech and Vice-Chairman of the Executive Committee of the Trainair network and the International Civil Aviation Organisation. Decorated with the Aeronautics Medal, Mr Houalla 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 Inspector of Finance 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 as well as the permanent representative of Aéroports de Paris on the Board of Directors of ADP International (a public limited company and subsidiary of Aéroports de Paris, previously named Aéroports de Paris Management). He is a member of the Executive Committee of Cœur d'Orly Commerces Investissement and Cœur d'Orly Investissement (SAS). As regards TAV Airports (governed by Turkish law), of which Aéroports de Paris is the

leading shareholder, Mr Pascal is a member of the Board of Directors and of the Risk Committee of TAV Havalimanlari Holding A.S. ("TAV Airports").

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 Groupe ADP, he is, inter alia, Chairman of ADP IMMOBILIER SAS, and representative of the Chairman of ADP IMMOBILIER TERTIAIRE and ADP IMMOBILIER INDUSTRIEL, his two areas of real property specialisation. He is also Chairman of Cœur d'Orly Investissement SAS and COEUR D'ORLY COMMERCES INVESTISSEMENT SAS and a board director of ADP International (formerly Aéroports de Paris Management), since 29 June 2017. Since the second quarter of 2017 he also been a member of the supervisory committee of Chenue Le Bourget SAS and member of the partnership committee of Heka Le Bourget SCL. 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 in a ministry cabinet as chief of staff and advisor to Jack Lang and then Jean-Louis Bianco. Didier Hamon joined Aéroports de Paris in 1993 as Director of Communications and company spokesman. In 2003, he became the Director for Environment and Sustainable Development. He has served as Group General Secretary of ADP since May 2013. Didier Hamon is an Officer of the Legion of Honour.

Élise HERMANT, born 23 February 1982, is a graduate of CELSA and Sciences-Po Paris (2007). In 2008 she was put in charge of press relations and governmental campaigns in the office of Xavier Bertrand in the Ministry of Labour, Social Relations, the Family and Solidarity, then in the office of Martin Hirsch, High Commissioner for Anti-Poverty Measures and High Commissioner for Youth. In 2010 Ms Hermant joined the Havas Paris group, as a Consulting Director in the Influence division. She joined Aéroports de Paris in November 2013 as Manager of the Media and Reputation division. On 1 December 2017, Ms Hermant was named Communications Director of Groupe ADP.

Régis LACOTE, born on 25 April 1972, is a graduate of ESIEE and ENAC. He started his career in 1998 in charge of PC Operation and Security in La Reunion at Roland Garros airport, (ICC of the Island of La Reunion). Régis Lacote joined Aéroports de Paris in June 2002 as special advisor to the ground handling assistance management. He has held a series of positions within Groupe ADP: in charge of the ground handling assistance service at Paris-Charles de Gaulle airport, from 2005 to 2008, in charge of the Terminals 2 E/F/G Operating Department and the TGV station, from 2008 to 2010, Director of Airport at Airport Paris-Orly, from 2010 to 2011, in charge of aviation operation in the Airport Surface Areas department at Paris-Charles de Gaulle airport, from 2011 to 2012. Régis Lacote was appointed Director of Paris-Orly airport on 22 February 2018.

Gilles LÉVÊQUE, born on 6 December 1959, is a graduate of the National Institute of Applied Sciences in Lyon. Gilles Lévêque started his career as project manager in a civil engineering consultancy firm. In 1988, he joined Arthur Andersen Consulting as consultant and project director and worked in particular for the Albertville Olympic Games Committee in 1992. From 1992 to 2006, he carried out various duties in Supply Chain management and IT Systems at Hewlett Packard in France and the United States. From 2006 to 2015, he was Director of IT Systems in the GEODIS Group, a worldwide player in Transport and Logistics. Gilles Lévêque



joined Aéroports de Paris in June 2015 as Director of IT Systems. Gilles Lévêque is a director of the CIGREF (French Large Corporations IT Club) and a member of the Supervisory Board of the company Egidium.

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, he

was appointed Deputy Project Manager. He also led the refurbishment of terminal one, the work on hall M of terminal two at Paris-Charles de Gaulle airport and the "Hub 2012" project. Between 2011 and 2015, he served as Chairman and CEO of ADP Ingénierie (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 board member of Hub One and ADP International (French limited companies, subsidiaries of Aéroports de Paris).

16.2 FUNCTIONING OF THE COMMITTEES LINKED TO THE BOARD OF DIRECTORS

The Board of Directors has created three committees: an Audit and Risk Committee, a Strategy and Investments Committee and a 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 Internal Rules which can be consulted at www.groupeadp.fr. Their composition and activity during financial year 2017 are described below.

The members of each committee are appointed, on proposal by 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 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.

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Members of committees linked to the Board of Directors at the date of the filing of this Registration Document

	Augustin de Romanet*	Jacques Gounon	Serge Gentili	Solenne Lepage	Françoise Debrus	Geneviève Chaux-Debry	Jos Nijhuis	Jean-Paul Jouvent	Xavier Huillard
Audit and Risk Committee		◆	◆	◆	◆				
Strategy and Investment Committee	◆			◆		◆	◆		
Compensation, Appointments and Corporate Governance Committee		◆		◆	◆			◆	◆
Independent		○			○				
Representing the Government's interests				○		○			

* Chairman and CEO ◆ Chairman of Committee ◇ Member

Audit and Risks Committee

Composition

The Internal Rules 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 Risk Committee does not include any executive officers.

On the date of filing of this Registration Document, the committee consisted of four members: Jacques Gounon, its Chairman and Independent Director, Serge Gentili, Solenne Lepage and Françoise Debrus, permanent representative of Predica, Independent Director.

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 of the mandates and duties filled by the directors over the last five years attests to their expertise in finance and accounting.

Tasks and functioning

The Audit and Risk Committee's rules of procedure are based on the French Commercial Code and the recommendations of the AMF. The Audit and Risk Committee is also governed by Order No. 2016/315 of 17 March 2016 relating to statutory audit.

The Audit and Risk Committee, reporting to the Board of Directors, monitors issues related to the preparation and audit of accounting and financial information. It monitors the Statutory Auditors through completion of their missions and ensures their independence. It tracks the effectiveness of the internal control systems, risk management and internal audit. It reviews the relevance of the Group's financial policy. It enlightens the Board of Directors on the reliability and quality of information issued to it. 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 - Finance, Strategy & Administration, the Executive Director for International, 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 Risk Committee in 2017

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 2017, it met nine times with a member attendance rate of 92%. The Statutory Auditors attended all of the committee meeting.

During its meetings, the committee examined in particular files relating to:

- ◆ the closing of the 2016 corporate and consolidated financial statements and 2017 half-yearly financial statements, the adoption of the 2016 management report, the update of the 2017 consolidated budget forecast, the establishment of management planning documents and the progress report on the development of Aéroports de Paris, the 2018 consolidated budget, the Group's 2016-2020 trajectory, the setting of airport fees for the 2018-2019 period, the appropriation of 2016 income, setting of the dividend and the distribution of interim dividends;
- ◆ the Report by the Chairman of the Board of Directors on the Financial Security Law for 2016, the status of 2017 Group risk mapping, progress with the 2017 audit programme and the Audit Department's 2018 audit programme;
- ◆ monitoring of off-balance sheet commitments by monitoring sureties, endorsements and guarantees;
- ◆ update on the cash management policy, the authorisation for issuing bonds in 2018;
- ◆ review of the principal investment projects and of their profitability;
- ◆ international development, notably:
 - ◆ the creation of ADP International (a wholly-owned Aéroports de Paris subsidiary) to manage the Company's international business,
 - ◆ increased stake in the capital of TAV Airports, bringing Groupe ADP's share from 38% to 46.12%,
 - ◆ the participation in the call for tenders for the international airport concessions;
- ◆ monitoring of subsidiaries, the disposal of the holding in TAV Investment (TAV Construction), the disposal of 80% of the Hub Safe subsidiary;
- ◆ the status of the risk mapping in 2017 of Groupe ADP and its main subsidiaries and approval of the report of the Chairman of the Board of Directors on 2016;
- ◆ the creation of an approval process by the Audit and Risk Committee for services other than certification of the financial statements provided by the Statutory Auditor in application of article L. 823-19 of the French Commercial Code.



The Strategy and investment committee

Composition

The Board's Internal Rules 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.

On the date of filing of this Registration Document, the committee comprises four members, Augustin de Romanet, Chairman, Geneviève Chaux Debry, Solenne Lepage 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 business, employment and 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 2017

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 2017, it met eight times with a member attendance rate of 83%. A strategic seminar of the Board of Directors was also held on 22 November 2017.

During its meetings, it has covered:

- ◆ the group's strategy and investments as illustrated by the progress report of 31 December 2016 on the "CONNECT 2020" strategic plan, by the 2018-2022 investment programme and the related financing plan, by Groupe ADP's real estate strategy, the digital and innovation strategy, and the review of the main investment projects (CDG Express, etc.);
- ◆ international development, notably:
 - ◆ the creation of ADP International (a wholly-owned Aéroports de Paris subsidiary) to manage the Company's international business,
 - ◆ increased stake in the capital of TAV Airports, bringing Groupe ADP's share to 46.12%,
 - ◆ the participation in the call for tenders for the international airports concession;
- ◆ monitoring of subsidiaries, the disposal of the holding in TAV Investment (TAV Construction), the disposal of 80% of the Hub Safe subsidiary.

The remuneration, appointments and governance committee

Composition

The Remuneration, Appointments and Governance Committee is made up of at most five members with voting rights from among the directors, including one representative of the French State, one director representing employees and directors appointed by the General Meeting of Shareholders. It may not include any executive officers among its members and must consist of a majority of independent directors.

The executive officer is associated with the committee's work regarding appointments and succession plans.

On the date of filing this Registration Document, the committee consisted of five members: Françoise Debrus, Independent Director, permanent representative of Predica and Chairwoman 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. In its report of October 2017, the High Committee accepted that the proportions may not be fully achieved, rather than have the independence criteria interpreted too freely.

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 2017

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 2017, it met five times with an attendance rate of 84%.

During its meetings, the committee debated on such items as:

- ◆ governance, in particular:
 - ◆ the implementation, as of 12 May 2017, of the provisions of Order No. 2014-948 of 20 August 2014 on the governance of companies with a public shareholding,
 - ◆ the annual review of the independence criteria for Directors with regards to the AFEP-MEDEF Code, based on the setting of quantitative and qualitative criteria to assess the significant nature or not of the relationship between Aéroports de Paris and the members of the Board of Directors,
 - ◆ external appraisal of the operation of the Board of Directors,
 - ◆ submission to the General Meeting of Shareholders of an increase in overall attendance fees and adjustment of the allocation scale;
- ◆ executive officer compensation (Chairman and CEO and Chief Operating Officer):
 - ◆ variable compensation for 2016 – achievement of objectives and the amount of variable compensation for the executive officers,
 - ◆ the Chairman and CEO's 2018 compensation: setting the amount of the fixed component and the objectives for the variable component,
 - ◆ submission to the Annual General Meeting of Shareholders of the ex-ante and ex-post resolutions on executive officer compensation;
- ◆ the policy for the reimbursement of expenses incurred by the members of the Board of Directors;
- ◆ Groupe ADP's business continuity policy;
- ◆ the compensation policy for members of the Executive Committee.

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.

16.3 CORPORATE GOVERNANCE – ADHERENCE TO THE PRINCIPLES OF GOVERNANCE

The Board of Directors resolved on 29 April 2009 to refer to the Corporate Governance Code for listed companies established by the French association of private companies and the Movement of French Entrepreneurs (AFEP-MEDEF Code). The Company also draws on the charter for relations with public companies that sets out the rules governing the relations between the French Government Shareholding Agency (APE) and the companies in which the government holds shares.

Aéroports de Paris is governed by Order No. 2014-948 of 20 August 2014 on governance as a result of its status as a public company controlled by a majority shareholder. The provisions of the AFEP-MEDEF Corporate Governance Code (available online at <https://www.afep.com/contenu/focus/code-de-gouvernement-d-entreprise-des-societes-cotees>) were not taken into account and the reasons for doing so are given in the paragraph concerning the "Derogation to the AFEP-MEDEF Code" in the Corporate Governance report in appendix 2 of this Registration Document.

SOCIAL, ENVIRONMENTAL AND SOCIETAL RESPONSIBILITY INFORMATION

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17.1 SOCIAL INFORMATION

Human resources policy

The personnel policy and the management of human resources (HR) 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 (ERA 2016-2020):

- ◇ optimise: monitoring the development of the organisations and businesses, tools and processes, controlling staff costs, in particular by limiting general increases and valuing performance, modernising labour-management discussions and labour rules, making managers more responsible for an overall budget including recruitments, temporary workers and training;
- ◇ 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. They are progressively being developed throughout the Group: management of mobility and career paths, skills and coherence of compensation.

Groupe ADP's scope changed notably in 2017 with the exit of the subsidiary, Hub Safe, in which the Group disposed of 80% of its interest in the company, and the restructuring of international subsidiaries. This operation involved the grouping of international activities to provide coherence in the actions of subsidiaries in this area. Thus, a dedicated structure, ADP International, was created from the Aéroports de Paris Management company, gathering the three international businesses: engineering, operations and management. In this configuration, ADP Ingénierie became one of ADP International's subsidiaries. Lastly, following the acquisition of an additional interest, TAV Airports is now fully consolidated into the scope.

This change created new balance and identity challenges within the group. The development of human resources projects takes a strong group and international focus.

For TAV Airports, the human resources data communicated for 2017 concerns the average staff numbers. All the indicators will be covered for 2018.

However, Hub Safe, in which Aéroports de Paris now only owns 20% of the capital, is no longer included in the consolidated accounting scope.

The human resources policies also contribute to improved internal functioning of Groupe ADP, with a dynamic of sustainable development and risk management.

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 the Company's operations to run more smoothly. This optimisation is also the aim of the changes in the operating organisation of the three platforms, Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget. Other significant projects will structure the organisation of strategic activities for the Company, in particular for reception in the terminals.

At last, Groupe ADP emphasised on the decrease in accident at work¹.

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")

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 management of talents and career paths is a Company priority. It contributes to developing the attractiveness of its employer brand. It relies on aiming for the satisfaction of recruited employees and their employability. Career paths, under development, provide visibility to employees and meet the strategic needs of the Company and organisations, including the Group and international dimensions.

The charter Mobility, at Groupe ADP level, and the mobility principles, were published in June 2015. Tools have been implemented to promote mobility: immersions, job space opened since March 2015, dedicated "mornings" (32 in 2016, for over 600 people). These initiatives are part of the "My Mob" programme. In 2016, the Mob HR tool, allowing managers to assess the skills of their staff, was implemented. Building on a new skills reference guide linked to jobs and employees, it was deployed for managers in 2016 and non-managers in 2017.

In 2017, the Human Resources Department began three talent management initiatives that will continue in 2018:

- ◇ updating of the career review process;
- ◇ construction of a career path management tool, based on the organisation's short and medium term needs; and lastly;
- ◇ a review process for the management of international talents.

These three priority initiatives aim to meet the Group's activity development challenges.

¹ Please refer to the paragraph "Health and Safety" of this chapter.

Mobility is the second priority in terms of employment. It is monitored at the reception department level, supports the redeployment of the coming organisations, and is subject to precise analysis on the characteristics of needs, for Aéroports de Paris, Groupe ADP and internationally.

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 are integrated into the global induction system, “On Boarding”, created in 2016, which includes different modules for information, exchanges and awareness.

“Graduate program”

The “Graduate program” aims to think ahead about filling key posts for the Company in the medium term: it recruits young graduates (engineers, multi-disciplinary/business schools, etc.) identified for their potential and likely to hold different functions in the technical, operation and support departments. It is notably based on the pooling of recruitment processes, on-site assessment, and support after hiring for achieving promotion. Each person carries out three eight-month missions, in different Company environments. Graduates that have carried out the Graduate program are then allocated to a division.

In 2016 and 2017, 30 graduates were recruited within this programme.

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 dynamic 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.

In 2017, the brand is relayed with a new image, starring ten employees, representing the diversity of jobs in an international environment. It should attract candidates and new profiles, and disseminate our messages during meetings with students on all communications channels. Our presence on social networks developed with an increase of over 30% in LinkedIn subscribers since 2017. Twelve job web videos with employees are currently being produced to promote our brand. The Company has taken part in 15 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 or business 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*), Sciences PO and AJU (*Atout Jeunes et Universités*) forums. It is committed to diversity through numerous actions, including involvement in “Elles bougent”, a network for women promoting technical occupations in secondary schools, and the handicap mission to facilitate the employment of disabled people.

In 2017, Groupe ADP is present in the different rankings of the most attractive companies: Happy trainees (13th), Capital (36/500), Randstad (31/250).

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 2017, for Aéroports de Paris, over €4 million in purchasing was dedicated to professional training and skills development.

In addition, in 2017 the work/study training policy resulted in the integration of 140 work/study trainees. Of these, 122 were apprenticeship contracts and 18 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.

The management development policy aimed at team or project managers aims to help build a management and leadership culture that embodies our values and our strategic ambitions 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: trust, commitment, boldness and openness have formed the basis on which the managerial model was prepared.

The Attitude Manager training course has helped managers to translate these values into their daily responsibilities. Deployed since the end of 2015, this support came to an end in 2017 after concerning 1,700 managers. In addition, a Manager Guide and an online Toolkit were made available.

With individual support, within their teams, or through cross-functional systems, managers benefited from new initiatives in 2017. On an individual level, a 360° pilot project was implemented. Each team concerned by a change in organisation was supported to take on board the change support momentum and promote adjustments to behaviour and operating modes.

For the Top 100, a specific “Lead & change” programme was implemented in 2017. A pilot group of non-manager employees also benefited from similar support.

These approaches reinforce self-knowledge and awareness of the collective impact. Co-development workshops also enhanced the approach. The first feedback took place in 2017. The effects are visible with greater awareness of individual operating modes, an adjustment in managerial practices, a change in the type of interactions and the change in certain processes.

The momentum will continue in 2018, with support for managers on how to coordinate their teams based on collective intelligence.

Training is offered to managers, including awareness of the Company's corporate policy. Over 600 Aéroports de Paris employees participated in the Trajectoires programmes this year, with modules centred around management fundamentals and techniques.

These programmes are for Aéroports de Paris employees.

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 compensation system, which is tied to the achievement of targets, has been gradually strengthened: on the one hand, through discussions on adjustments to the amounts in view of the type of functions and roles, for more equity in view of contribution to performance, and on the other, to improve competitiveness and align the Company's practices with those of the market. There were no employee agreements or unilateral measures in 2016 and 2015.

For 2017, the salary agreement of 16 January 2017 includes a general increase of 0.5% on 1 July 2017.

Pursuant to the agreement on professional equality between men and women, the analysis of wage differentials had resulted in remedial measures for 2010 to 2013. Since 2014, situations are examined on a case-by-case basis.

Employees benefit from a complementary health insurance and pensions contract. In 2016, these contracts were subject to a tender offer, leading to a change in insurer for Aéroports de Paris, with equivalent guarantees and new services, whilst guaranteeing economic balance. At Group level, convergence work on the supplementary health insurance was carried out in 2017; in 2018, it will lead to the deployment of the same level of services with the same insurer across all subsidiaries.

Each subsidiary has its own compensation system.

Incentives and profit sharing

An 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 and Hub One also have incentive agreements.

In 2017, the incentives recorded for all Groupe ADP companies totalled €13 million compared with €14 million in 2016.

Aéroports de Paris and its wholly-owned subsidiaries (apart from ADP International) have implemented a profit-sharing mechanism for their employees. €22 million was paid out in profit sharing for the entire Group in 2017, compared with €23 million in 2016.

Group employee savings scheme and employee share ownership policy

Since 1 January 2011, employees of Aéroports de Paris and its subsidiaries have access to a Group *plan d'épargne* [Group Savings Scheme] (PEG) and a Group *plan d'épargne pour la retraite* [Group Retirement Savings Scheme] (PERCOG). These two salary saving schemes give employees the opportunity to put together a portfolio of securities that may be contributed to by the Company.

For Aéroports de Paris, company allowances are reserved exclusively to payments made to the *Fonds Commun de Placement d'Entreprise* [Investment Fund] (FCPE) of the "ADP Actionnariat Salarié" employee shareholdings, within the framework of the PEG and payments made to the PERCOG.

In 2017, the allowance made by the Company was €9 million (€9 million in 2016 and €8 million in 2015).

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.

To support the positive employee savings momentum, the creation of an ADP FCPE bond, invested mainly in unlisted bonds issued by Aéroports de Paris, was initiated in 2017; its implementation is planned as part of the payment of 2017 profit-sharing bonuses.

Staff regulations

The employees of Aéroports de Paris come under private-law contracts and specific staff regulations, which replace those of the Employment Code; the Code remains applicable where the staff regulations do not contain specific provisions. This status is not applicable to 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. These provisions are supplemented by Corporate agreements negotiated with the four representative trade unions.

Employees of subsidiaries are subject to specific collective bargaining agreements pertaining to their activities.

Geographic distribution

Geographic distribution Groupe ADP	2017	2016 <i>pro forma</i>
France	7,143	7,188
European Union excluding France	3	4
Other Europe	0	0
North America	2	0
South America	9	9
Middle East	157	165
Southeast Asia, India, China	10	9
Africa	18	14
TOTAL	7,342	7,389

Organisation of working time

In accordance with the legal rules governing working time, the number of working hours at Aéroports de Paris 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 for:

- ◆ 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.

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.

In 2017, negotiations began for an agreement to bring the daily working day to 12 hours for employees operating under the winter service framework.

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 training and its willingness to communicate through trade union bodies and meetings with 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 over 50 union delegates. The exit from the Group's accounting scope of consolidation of Hub Safe led to the renegotiation with the representative trade unions within the Group of a new configuration agreement. This was signed unanimously by the concerned trade unions, and the first meeting of the new committee took place at the end of November 2017.

The health and safety policy was reviewed and three agreements were concluded on 9 January 2017 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. The inter-company committee installed by corporate agreement will handle the Company's prevention policy and completes the prevention system. Two agreements were also signed on 10 January 2017 in application of the "Rebsamen" law of 17 August 2015. The first, on the conditions for holding mandatory negotiations, defines four negotiating blocks, 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; the second sets out the conditions for informing and consulting the Works Committee.

Discussions have started to adapt these systems to the new provisions in Ruling no. 2017-1386 of 22 September 2017 on the new organisation for social and economic dialogue within the Company, and favouring the exercise and promotion of trade union responsibilities.

The agreements concluded will be made known to all employees, using several tools such as the intranet, internal newsletters, or "Infodif" (multicast).

Collective agreements signed by theme – Aéroports de Paris	2017	2016	2015
Compensation (employee agreements, incentives, profit sharing, medical expenses)	1	1	2
Employee representation	3	1	1
Diversity	3	1	-
Professional elections	4	1	2
Professional networks	-	-	-
GPEC ¹ , training, generation contract	-	1	-
Training	-	-	-
Working time	-	3	-
Workplace health and risk prevention	3	-	-
Aéroports de Paris	-	-	1
Organisations	1	-	-
Pensions	-	-	-
Savings plan (Company and Group)	-	-	2
TOTAL	15	8	8

¹ Human resource and skills management planning system.

Agreements were also signed in 2017 in the other Group companies benefiting from staff representation:

- ♦ ADP Ingénierie (NAO Mandatory Annual Negotiations, new Generation Contract agreement);
- ♦ Hub One (NAO, rider to the profit-sharing agreement, telework, development of the quality of working life).

In 2016, the following agreements were signed by the subsidiaries: ADP Ingénierie (NAO), Hub One (profit-sharing 2016-2018, membership of the PERCOG and contribution 2016-2019, PEG and contribution 2016-2019, breakdown of the allocation of free shares within Groupe ADP, annual overtime hours, NAO) and Hub Safe (breakdown of the allocation of free shares within Groupe ADP, riders to the profit-sharing agreements).

Health and Safety

Prevention of occupational risks

The results of the actions conducted in 2017 to fight against workplace accidents are encouraging after an unfavourable year in 2016.

In 2017, for the scope of Aéroports de Paris, the number of workplace accidents with lost time recorded a significant drop (-19%) along with the frequency rate and severity rate.

The three directions in the mobilisation plan were reaffirmed:

- ♦ act to prevent accidents on foot or in vehicles (work and journey);
- ♦ act to prevent aggressions and uncivil behaviour; this is a particular problem for all companies operating on airport platforms;
- ♦ act to promote well-being at work and fight against psychosocial risks.

A new strategy was defined in 2017, in order to move from the idea of workplace safety to a prevention culture shared at all levels of the Company. Numerous actions were implemented to reinforce prevention management: monitoring of the action plan to reduce travel risks, a guideline for managerial practices in terms of occupational health and safety; a training module and guide dedicated to managers on how to take human factors into account in transformation projects.

Bimonthly updates in the Executive Committee include data from subsidiaries and subcontractors on the main work projects.

Since summer 2017, a security action plan was implemented on work projects. It includes initiatives coming from the culture: reception of

visitors, displays, awareness raising, feedback as well as actions such as including security information in calls for candidates, security clauses in tender offers, introduction of penalties in the event of workplace accidents. Monitoring actions were developed in the form of meetings, "15 minutes security", thematic audits, surprise visits, monthly publication of statistics, etc.

However, travel accidents increased in 2017. Two days on workplace road safety were organised, one in Paris-Orly and the other in Paris-Charles de Gaulle, to raise employee awareness of this risk.

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 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.

For this, a methodology guide to take into account human factors in projects was drafted, as part of a collaborative and multidisciplinary framework and in association with the inter-company CHSCT. In a context of deep cultural change and transformation, it aims to anticipate the impacts on men and women at the heart of the transformations. It is based on:

- ♦ a systemic approach to projects taking into account the entire ecosystem and placing the project in its strategic and historical context;
- ♦ a collaborative momentum, that clarifies the role of the different players.

Strong involvement for the concerned employees based on clear, transparent and authentic communication. 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 and the "Single Document", the regulatory professional risk assessment tool, 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 2017 social barometer was carried out in October, with a 51.1% participation rate. These results were presented and action plans will be prepared in 2018.

Annual report on workplace hygiene, health and safety

The relevant agreements in force in 2017 for Aéroports de Paris are the following: three agreements, signed on 9 January 2017, improve the organisation and functioning of the CHSCT and employee representative participation in the prevention of occupational risks:

- ◆ the first reviews the scope of the CHSCT consistent with the diversity of the activities carried out within the Company and the places where these activities are exercised (seven committees);
- ◆ the second provides for the creation of a CHSCT coordination body, as a spin-off from local CHSCT when a project concerns at least two;
- ◆ lastly, the third on the resources allocated to the CHSCT, also provides for the creation of an inter-company committee to handle the Company's prevention policy.

Diversity policy

Aéroports de Paris joined the Corporate Diversity Charter in 2013, and has worked on the diversity recruitment process with its subsidiaries. An agreement on diversity was signed on 27 April 2017. It is a framework agreement to take on transversal commitments for all discriminatory criteria, although recording the maintaining of specific commitments if necessary.

These provisions 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 (first collective agreement in 1991), professional equality (first agreement in 2003) and more recently, the retention of seniors in employment (collective agreement in 2009 then 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.

The extra-financial rating of Groupe ADP by Ethifinance increased by four points to 82/100 in 2016 with, in particular an increase of two points in the theme Human Capital, to 79/100. The parent company increased by three points to 83/100 and by one point in Human Capital, to 79/100. These ratings correspond to the level "Excellence". A rating request will be renewed in 2018.

Gender equality in the workplace

Aéroports de Paris' fourth three-year agreement on gender equality in the workplace covered the 2014-2016 period. It was extended in 2017 to allow the negotiation of a new agreement as part of the Diversity agreement of 27 April 2017. 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 fifth agreement was signed on 29 November 2017. The Company confirms its determination to promote professional gender equality, highlights its desire to go further in this commitment and continues and completes its tangible, proactive actions:

- ◆ wage equality, through the analysis of compensation differences, recovery of unjustified differences and automatic progress in the event of maternity, paternity or adoption leave, full compensation during paternity leave, employee family supplementary benefit;
- ◆ the aim is to achieve 40% of women managers and 50% in recruitment to the "Graduate programme";
- ◆ the CESU system (Universal Service Employment Cheque) and access to childcare places;
- ◆ the development of the partnership with the women's "Elles bougent" network.

The agreement also provides for additional progress on over-compensation of parental part-time jobs chosen until the child is six years old, the development of women in executive positions and the appointment of a professional gender equality contact.

In 2017, the Company's proportion of women was 37.9%, unchanged since 2015. 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 36.7% (36.1% in 2016, 36.3% in 2015, and 35.6% in 2014). A partnership was set up in 2015 with the "Elles bougent" association: its aim is to encourage women to work in engineering and technical roles, via its network of female sponsors who are also company employees.

From 2010 to 2013, Aéroports de Paris applied the additional corrective salary measures as set forth in the current agreement. Since 2014, situations are examined on a case-by-case basis. In 2017, out of 11 requests studied, 7 situations resulted in wage adjustment. The salary gap between men and women (in average gross wages) is up to 10.0% in 2017, after stabilising between 2015 and 2016, at 9.3%.

In 2017, more females were promoted than men, just like in 2016.

	2017		2016	
	Men	Women	Men	Women
Workforce distribution by gender¹				
Aéroports de Paris	62.1%	37.9%	62.1%	37.9%
ADP Ingénierie	74.0%	26.0%	72.4%	27.6%
ADP International	80.0%	20.0%	73.6%	26.4%
Hub Safe	72.5%	27.5%	73.5%	26.5%
Hub One	62.1%	37.9%	62.1%	37.9%

¹ 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 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 2017, the recruitment rate was 5.1% of permanent hires and employees aged over 55 years old accounted for 22% of average staff numbers. 36 employees benefited from end-of-career part-time hours as of 31 December 2017.

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 2017, this rate was 48.9%. 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 6.3% (target over the life of the agreement: 15%). The rate of employment of interns is 2.4% 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 workforce distribution by age

	2017	2016
Under 25 years old	1%	1%
25 to 49 years old	55%	58%
From 50 to 60 years old	40%	38%
Over 60 years old	4%	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 (five recruits in 2017) six work-linked training (zero completed), 15 assisted or fixed-term contracts (two made), six internships (four made) and service purchases (€0.8 million per year: €0.933 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 2017 was 7.5% (7.24% in 2016, 6.74% in 2015 and 6.46% in 2014).

Disabled persons accounted for 2.8% of external hires in 2017.

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" (respectively in 2013 then 2015 and 2017).

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. Collective agreements on gender equality in the workplace were signed with ADP Ingénierie (2014) and Hub One (2014), and on the "generation contract" for ADP Ingénierie (2013 then 2017) and Hub One (2015).

Sheltered and protected employment sector

In 2017, Aéroports de Paris ordered services worth €933,000 from 21 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 88% 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 GESAT¹, 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.

¹ Association, company network in the sheltered and protected employment sector (establishments and services promoting assistance through work and sheltered companies).

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
Human rights	
1. Support and respect the protection of international law on human rights within the Group's sphere of influence	Company Code of conduct and the wholly-owned subsidiaries' codes of conduct (ADP International and Hub One), Group CSR charter Suppliers integrated in the purchasing process (sent for signing to applicants for procurement procedures launched by Aéroports de Paris)
2. Ensure that the Group's companies are not complicit in violations of human rights	Company Code of conduct and the wholly-owned subsidiaries' codes of conduct (ADP International and Hub One), elaboration of duty of vigilance scheme in progress Aéroports de Paris ensures that its suppliers comply with the provisions on illegal work by collecting from them legal documents certifying that they are in good standing with regard to tax and social legislation and the declaration of foreign workers. As part of the procurement procedures, the criteria for the rating of offerors include a CSR assessment based in particular on the declared practices of respect for human rights. Social audits (compliance with the rules of labor law) are carried out on certain segments of purchases. The Purchasing Department is part of the process of implementing the Due Diligence Act on the Suppliers and Subcontractors Component.
Labour standard/ILO principles	
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 CSR criteria in the selection of suppliers / subcontractors. Contractual contract documents include the Supplier CSR Charter and Aéroport de Paris general administrative clauses provide for the application by suppliers and service providers of national rules for the protection of the workforce and compliance with ILO.
5. Ensure the effective abolition of child labour	By agreeing to respond to the calls for tenders, the candidates undertake to apply the CSR Supplier Charter, in particular its requirements regarding the abolition of child labor.
6. Eliminate discrimination in the workplace and professions	Aéroports de Paris commitment to fight against discrimination through the signing of two agreements: professional equality between women and men (2017-2019) and the diversity agreement (2017-2019)
Respect for the environment	
7. Support a preventative approach to environmental challenges	Environmental policy of Aéroports de Paris
8. Undertake initiatives to promote greater environmental responsibility	Realisation of a training program and environmental awareness for all Aéroports de Paris staff
9. Encourage the development and diffusion of environmentally friendly technologies	Technological watch and innovation (renewable energies) of Aéroports de Paris
Fight against corruption	
10. Work against corruption in all its forms, including extortion and bribery	Signatory of Transparency France's declaration in favor of responsible lobbying Audit in 2018 on the prevention of fraud 2015-2017 for Aéroports de Paris Appointment of a compliance officer reporting directly to the Chairman and Chief Executive Officer and recruitment of an audit and risk director in charge of compliance for the international scope. Revision of the code of ethics for Aéroports de Paris annexed to the Internal Regulations. Realization of an inventory of existing procedures and actions with a view to strengthening the prevention of corruption.

17.2 SOCIAL INDICATORS FOR THE GROUP

A methodological note on *social and environmental* reporting is provided at the end of the chapter.

	Scope	2017	2016 <i>pro forma</i>	Change
Average staff numbers				
Aéroports de Paris	2	6,435	6,478	-0.7%
Subsidiaries		17,743	2,409	+636.5%
of which TAV Airports		16,836	-	-
of which ADP Ingénierie		392	412	-4.9%
of which Hub One		456	448	+1.8%
of which ADP International		59	51	+15.7%
of which Hub Safe		-	1,498	-
GROUP TOTAL	0	24,178	8,887	+172.1%
Feminisation rate	2	37.9%	37.9%	-
Appointments/Departures				
Appointments	1	336	266	+26.3%
On a permanent basis	1	285	232	+22.8%
On a fixed term basis	1	51	34	+50.0%
Departures	1	349	313	+11.5%
of which were dismissals due to disability	1	19	26	-26.9%
of which were dismissals on economic grounds	1	-	-	na
of which were dismissals due to personal reasons	1	18	17	+5.9%
Rate of promotion (%)	2	3.7	4.0	-7.5%
Compensation				
Average gross monthly compensation (<i>in €</i>)	2	4,679	4,586	+2.0%
Gross wage bill (<i>in €m</i>)	1	379	380	-0.3%
Social security charges (<i>in €m</i>)	1	216	214	+0.9%
Incentives and profit sharing (<i>in €m</i>)	1	35	36	-2.8%
Working time				
Full-time employees	2	5,882	5,874	+0.1%
Part-time employees	2	553	604	-8.4%
Absence rate	2	(✓) 6.9%	7.0%	-0.1pt
of which illness	2	5.3%	5.2%	+0.1pt
of which maternity - paternity	2	0.4%	0.4%	-0.0pt
of which authorised leave	2	0.4%	0.6%	-0.2pt
of which work and journey accidents	2	0.7%	0.8%	-0.1pt
Overtime	2	11,213	11,634	-3.6%
Employee benefits				
Sums paid out to the Works Council (<i>in €m</i>)	2	6.5	6.5	0.0%
Staff restaurant subsidies (<i>in €m</i>)	2	9.1	8.7	+4.6%
Health and safety conditions				
Frequency rate	2	(✓) 13.64	16.63	-18.0%
Severity rate	2	0.95	1.08	-12.0%
Number of workplace accidents with lost time	1	135	173	-22.0%
Professional diseases declared over the year	2	5	3	+66.7%
Training				
Sums paid out for professional training (<i>in €m</i>)	2	17	20	-12.8%
Average number of hours of training per employee	2	19	24	-19.2%
Total number of training hours	1	(✓) 144,076	172,841	-16.6%
Employment and integration of disabled workers				
Number of disabled workers	2	441	397	+11.1%
Number of disabled workers appointed on permanent contracts	2	5	5	0.0%

Scope 0: Groupe ADP.

Scope 1: Groupe ADP excluding TAV Airports.

Scope 2: Aéroports de Paris company.

(✓) : 2017 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 4th generation of guidelines relating to management and reporting of the Global Reporting Initiative (GRI), which can be downloaded from the website: 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.

Groupe ADP applies its policy in accordance with the ISO 26000 guidelines as a framework for its CSR performance.

Stakeholder dialogue: materiality study on CSR challenges

Listening, dialogue and consideration of stakeholder expectations are the driving forces behind Groupe ADP's 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 the CSR strategy, projects and actions.

From 2006, Groupe ADP mapped its stakeholders and has regularly updated it since, and ensures that involvement and consultation methods are in place¹, 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.).

In 2014, before drafting the *CONNECT 2020 strategic plan*, Groupe ADP adapted its CSR challenges based on a new stakeholder mapping and a materiality matrix. The main challenges identified by the materiality matrix and that have fed the strategy are airport security, improving environmental performance, employee health and safety, customer services (airline companies and passengers), activity continuity and crisis management.

In 2017, in application of the best CSR practices, a new materiality study was launched with Groupe ADP stakeholders to provide new elements for its CSR strategy and better communicate about its actions and results.

The 2014 stakeholder mapping was reviewed, but it was not considered necessary to amend it. An online survey of over 8,000 stakeholders (employees, suppliers, elected officials, real estate customers, airlines, passengers, etc.) and interviews of qualified persons, both internal and external, were carried out in order to update the materiality matrix. The challenges focus on four themes: exemplary airport management, well-being of platform employees, environmental preservation and commitment to regions.

Over 2,000 stakeholders responded. The results will be published in the 2017 CSR information.

Group CSR charter: six commitments

The Chairman and CEO of Groupe ADP 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 reinforces Groupe ADP's CSR management and serves as the basis for the adaptation of the thematic charters signed at the Group level, such as the Diversity Charter.

Reinforcing the prevention of corruption

The first system implemented from 2014 included training and awareness raising actions and an email alert system accessible to all employees.

As part of the anti-corruption and influence-peddling measures implemented by the Sapin II law on transparency, the fight against corruption and the modernisation of economic life, Groupe ADP installed an inter-company steering tool involving the parent company and its subsidiaries. Aéroports de Paris' new code of ethics includes the prevention of corruption and the duty of vigilance. It was presented to staff representative bodies and added to the appendix of the rules of procedure of Aéroports de Paris in 2017.

One of the aims is to reinforce the Group's Ethics and Compliance culture via the communication and action plan initiated at Aéroports de Paris.

Committed to basing its development on principles which reflect its ethical commitment, Groupe ADP formalised its ethics rules at the end of 2016 in a *Responsible Lobbying Charter*, available on its website. Since 24 October 2017, it is also registered in the list of interest representatives held by the High Authority for Transparency in Public Life (*Haute Autorité pour la transparence de la vie publique*) in accordance with the Sapin II law.

A member of Transparency International France via Aéroports de Paris, and specifically its Forum of committed companies, Groupe ADP has signed Transparency International France's declaration for responsible *lobbying* and holds regular discussions with the association on its practices and progress in the fight against corruption.

In order to encourage the appropriation and application of ethical principles, "ethical reflex cards", which present concrete cases, were distributed from 2016 to managers and human resources (HR) managers in order to help them support employees in this area. They can be accessed via the HR employee intranet, and will be updated in 2018 to take into account the changes in the rules of procedure. The training programmes (managers, buyers, etc.), including an ethics and compliance section, will also be updated. In addition, an E-learning programme on the prevention of corruption and influence peddling will be progressively rolled-out to all Group employees from mid-2018, targeting as a priority the people most exposed to the risks of corruption and influence peddling.

The group is also reinforcing its ethics approach for projects abroad. Appointed in August 2017 within ADP International, an audit, risks, ethics and compliance Director (including the prevention of corruption) defines and steers the deployment of a compliance and anti-corruption programme for international projects and relays the Group's policy for the international scope in association with the Group's Ethics Officer.

¹ The consultation methods are outlined on our website www.groupeadp.fr in the CSR section - note 4 of the CSR information.

Duty of vigilance

The law of 27 March 2017 creates a duty of vigilance for parent companies and order providers with regard to their subsidiaries, sub-contractors and suppliers, in order to protect against serious violations of human rights and fundamental freedoms, and the health and safety of people and the environment. In 2017, these risks were the subject of a mapping covering Aéroports de Paris, and specifically the Purchasing Department. This mapping will be updated in 2018 to develop the action plans on the prevention of corruption and the duty of vigilance.

The vigilance plan provided for by law is currently being drafted, under the responsibility of Groupe ADP's Ethics Officer. The priority focus of this plan – the assessment procedures for subsidiaries, sub-contractors and suppliers – will be completed in 2018. Aéroports de Paris' Purchasing Department already implements a CSR policy for suppliers, with an assessment questionnaire and the signature of the CSR commitment charter during the selection process, CSR criteria taken into account in the choice of supplier and social audits for certain at-risk sectors.

The *Audit, Risks, Ethics and Compliance Director* appointed in 2017 within the subsidiary ADP International will transmit and adapt the vigilance plan for the foreign subsidiaries.

The ethics alert procedure will be updated in 2018 to cover the requirements of the duty of vigilance and enable all alerts to be reported and handled.

Fight against discrimination

Since 2003, Groupe ADP has been a member of the UN Global Compact, with, since 2015, *Advanced Level* status. In 2015, it also signed the Mobilisation Charter to fight for equality against racism, carried by the Defender of Rights.

Measurement and ongoing improvement of performance: ratings and benchmarks

Groupe ADP exercises its corporate social 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. The CSR risk factors are identified and taken into account in risk management¹.

Performance has been assessed by an extra-financial rating agency since 2005 for Aéroports de Paris and since 2014 for the main Group subsidiaries. In 2016, Ethifinance performed the rating of Aéroports de Paris and its subsidiaries, ADP Ingénierie, Aéroports de Paris Management (now ADP International), Hub Safe and Hub One, in relation to corporate governance, business ethics, the environment, community involvement, human resources, clients and purchases. The Group's rating increased by four points between 2014 and 2016, at 82 out of 100, corresponding to Ethifinance's "excellent" level. The scores of Aéroports de Paris and its subsidiaries are up.

For the parent company, all areas are rated as "excellent", demonstrating the extent of the commitments, the successful implementation of the actions and advanced performance. Improvement points from this evaluation feed the improvement plans managed by each entity and are coordinated by the Environment and Sustainable Development department.

For Groupe ADP's main subsidiaries, each one showing strong progress, the detailed results can be found in the corporate social responsibility information published on the website.

The next extra-financial rating requested will take place in 2018 for Aéroports de Paris and the main wholly-owned subsidiaries. The conditions for extending the exercise for the TAV scope are currently being defined.

Groupe ADP belongs to a number of socially responsible investment indexes, particularly the *Dow Jones Sustainability Index World and Europe* with, for the latter, a rating of 79/100 in 2017.

Groupe ADP is also included in indexes such as the ISR Euronext Vigeo Eiris Monde 120 and France 20 (since 2015), Euronext Vigeo Eiris Europe and Eurozone (since 2012), FTSE4GOOD (since 2015), MSCI (since 2012), Ethibel (since 2009), Oekom Prime (since 2014).

In 2017, Groupe ADP was rated B in its evaluation (from A to D) of the *Carbon Disclosure Project* (CDP).

17.4 ENVIRONMENTAL INFORMATION

Environmental and energy policy 2016-2020

Signed by the Chairman and CEO, Groupe ADP's environmental and energy policy 2016-2020² reinforces its collaboration with all of its stakeholders around three commitments:

- ◇ 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, air and emissions, biodiversity, land development and sustainable buildings), ambitious objectives linked in particular to the financial policies of the economic regulation agreement (ERA) 2016-2020 and the energy transition law for green growth 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.

The Management teams at Paris-Charles de Gaulle and Paris-Orly have adopted an integrated management system (IMS) based on compliance with three international standards: ISO 9001 (quality management), ISO 14001 (environmental management) and OHSAS 18001 (management of health and safety at work). IMS renewal audits were carried out in 2017 and were successfully passed by Paris-Charles de Gaulle and Paris-Orly airports.

¹ See Chapter 3 "Systems and procedures for internal control and risk management" of the Management report.

² See Policy and Commitments on our website – CSR section, pages 59-60 of the CSR information.

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.

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 Groupe ADP 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 EcoCharter and articles in Groupe ADP's internal *Connexion* newspaper and intranet site.

A new Energy training course is currently being deployed and 200 employees will be trained by 2020.

Specific operations have also been launched: free distribution of LED bulbs to employees, edition and diffusion of comical films to raise awareness on energy management, etc.

Preventative measures to reduce and remedy air emissions

Groupe ADP is committed to preventing collective pollution risks in four areas: air, water, noise and soil.

Measures to reduce and recycle air discharge waste

Groupe ADP has implemented an ambitious policy to reduce CO₂¹ emissions and atmospheric pollutants linked to its activities and facilities, and its energy production units in particular. It has fixed five main objectives by 2020:

- ◆ account for 25% of clean vehicles² in its light vehicle fleet³, reduce the emissions of the other vehicles, develop electric vehicle recharging terminals in its airports;
- ◆ maintain Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports at level 3 *Airport Carbon Accreditation* (ACA);
- ◆ continue its mobility plan and actively contribute to inter-company mobility plans for Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports;
- ◆ limit and reduce the emissions of aircraft on the ground (taxiing and parking) and ground handling vehicles (GSE)⁴;

- ◆ reduce the emissions associated with airport access and internal circulation.

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 (NO₂) and nitric oxide (NO), particles (PM 2.5) and ozone (O₃) levels).

Groupe ADP is also involved in public policies and helped to review the 2017-2020 atmosphere protection plan (AAP) for the Paris agglomeration. The AAP sets out measures to improve air quality in the region.

Preventative measures to reduce and remedy water discharge

Groupe ADP has set itself three main objectives by 2020:

- ◆ reduce drinking water consumption per passenger by 5% compared to 2014;
- ◆ as part of a water masterplan, define rainwater management rules by zone taking into account adaptation to climate change;
- ◆ continue to improve the management of winter pollution.

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 constructed clean and more polluted water segregation basins as well as a connection for the most winter polluted water to the wastewater network.

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 m³ 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. Groupe ADP's 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).

¹ See paragraphs "Optimisation of energy efficiency", "Increased use of renewable energies", "Fight against climate change".

² Electric vehicles, hybrids or vehicles with very low CO₂ emissions.

³ City cars, management vehicles and small vans.

⁴ Ground Support Equipment, Ground handling vehicles.

Preventative measures to reduce and remedy discharge in the soil

The 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.

The procedures for the prevention and management of soil pollution risks were updated in 2017.

Measures to reduce and recycle waste

As part of its 2016-2020 environmental and energy policy, Groupe ADP is committed by 2020 to reducing and recycling waste produced at its airports to save natural resources and taking measures to:

- ◆ reduce its waste production and encourage its partners to adopt these practices;
- ◆ achieve a 45% material recycling rate for its internal non-hazardous waste;
- ◆ recycle 70% of building waste;
- ◆ deploy actions associated with the circular economy;
- ◆ develop the biowaste sector by proposing a biowaste collection service to all clients by 2020 and reduce food waste in its company restaurants.

The waste collection and processing contracts for Paris-Orly, Paris-Charles de Gaulle and Paris-Le Bourget (granted to the same service provider in 2016 for the first two airports, and in 2017 for the third), provide for an increase in recycling rates by reinforcing the waste collection systems at the treatment centres of the collection service provider. At the airports, biowaste and non-hazardous waste are sorted and all administrative offices have recycling points for paper and printer cartridges. In terminals, sorting bins are installed upstream and downstream of the checkpoints.

Where possible, Groupe ADP promotes the circular economy. A few examples:

- ◆ regular action to collect and recycle used work clothes;
- ◆ during the recent relocations, collection of unused office supplies in good condition to distribute to schools and associations in Essonne, Hauts-de-Seine and Val-de-Marne departments during an Open Morning in 2017;
- ◆ sorting of leftover food on trays in company restaurants in the Paris-Orly terminal and the Parc Central as well as in some inter-company restaurants in Paris-Charles de Gaulle; progressive expansion of bio-waste collection to all platform restaurants;
- ◆ organisation of bio-waste processing at a methanisation plant;
- ◆ recycling of glycol used by Aéroports de Paris during testing of snow-removal machines to manufacture coolant (continued studies to recycle the glycol recovered in de-icing bays).

Fight against food waste

Groupe ADP makes airport concessions aware of biowaste management and runs awareness sessions along with the inter-company restaurant service providers or the Works Council which manages six company restaurants (five restaurants and a snack cafeteria) at our sites.

Facilities classified for environmental protection (ICPE)

The storage and distribution of aviation fuel for aircraft are provided by external companies that maintain and operate the tanks and the hydrant fuelling system for which they also ensure the control and compliance. 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 thermal 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 Groupe ADP laboratory carries out annual regulatory controls and continuous monitoring of the atmospheric discharges from these facilities, as required under their operating permits, and a quarterly 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).

Groupe ADP does not operate any classified facility (SEVESO site) that may create considerable risks to the health or safety of neighbouring populations and the environment.

Since 2014, Groupe ADP sends a letter to third parties in order to know their potential changes in activities and in ranking of their ICPEs (service stations, SMCA fuel depots¹, etc.).

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 06.00 am since 1968. Moreover, the 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, Régis Guyot. As a result of work in this area conducted jointly with the airlines, the continued descent procedure between 00.00 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 SA 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

¹ Société de Manutention de Carburants Aviation.

de Paris SA 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 2017, several technical provisions, including the modification to the AGILE processing tool and the opening of an internet site accessible 24h/24 to file an application and supporting documents, were taken to improve data traceability throughout the process and eliminate paper. In 2017, 2,198¹ files were processed.

Aéroports de Paris SA 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 allocate a dedicated budget of €44 million, planned by the Economic Regulation Agreement, over the term of the strategic plan 2016-2020.

In 2017, 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.

Environmental liability insurance

Aéroports de Paris has liability insurance for environmental risks. It covers all declared activities of Aéroports de Paris.

As of 31 December 2017, 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 at Paris-Charles de Gaulle, while Paris-Orly and Paris-Le Bourget are supplied by drinking water distribution points. Aéroports de Paris SA's airports have no water constraints.

To reach its target of reducing drinking water consumption per passenger by 5% by 2020 compared to 2014, Groupe ADP 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;
- ◇ continuous staff training on the use of water resources, products and equipment.

Studies on certain buildings are on-going to recover roof rainwater for non-domestic uses.

Consumption of raw materials and improvement measures

Aéroports de Paris is mainly a service company, and the challenge of controlling and reducing the consumption of raw materials is lower compared to other environmental impacts.

Reuse is studied during the completion of building deconstruction projects.

Optimisation of energy efficiency

With the aim of improving its energy efficiency by 1.5 % each year² over the 2016-2020 period (for a total of 7% over five years), Groupe ADP is deploying a policy focused on energy optimisation for operations and maintenance and improvements to buildings and equipment. This policy is part of its energy management system, certified ISO 50001 in 2015. The follow-up audit in 2017 did not show any non-compliance.

Over the third quarter of 2017, Aéroports de Paris realised a gain in energetic efficiency of 1.8% compared to 2015, the year of reference, while this gain was up 1.9% over the third quarter of 2016.

In spite of the replenishment in light emitting diodes (LED) for the car parks and the commissioning of 2 new cold units of Paris-Orly power plant and the refurbishment of part of the heat network and the rolling out of the LED lighting for the runway lights in Paris-Le Bourget, that helped to improve the energetic efficiency, the global decrease observed can be explained by the commissioning of new facilities highly energy consuming (ex: hall L luggage sorting system), the slight decrease in heat production productivity, generating more losses, an upgrade of the heat count, that lead to reinstate in the scope of reporting some consumptions without integrating new areas in Paris-Charles de Gaulle as counterpart.

Significant energy saving programmes in the buildings help to improve energy efficiency, in particular:

- ◇ setting an internal carbon price for projects in excess of €3 million (the calculation of the carbon cost is requested for projects with a direct impact – increase or decrease – on energy consumption and therefore, on CO₂ emissions);
- ◇ remote meter readings by electric meters, to allow better monitoring of consumption and detect excesses;
- ◇ deployment of the “local energy performance indicators” project;
- ◇ compensation for real estate projects in excess of €60 million (verification, at each key stage of the project that the construction will achieve the set energy target);
- ◇ replacement of the classical lighting systems by more energy-saving LEDs in the terminals (hall 2 of Paris-Orly), car parks (PEF in Paris-Charles de Gaulle, P0 in Paris-Orly) and airport zones, and automation of lights to provide lighting on demand.

¹ 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.

² Energy consumption for the Paris-Charles de Gaulle, Paris-Orly, Paris-Le Bourget platforms, excluding external/m² of building, in MWh primary energy/sq.m floor area excluding external, recharging terminals for vehicles, 400 Hz plugs, PCA, PC125A, chargers for ground support vehicles as far as possible depending on existing counting system.

In 2017, Groupe ADP committed to achieving carbon neutrality by 2030 as part of the *Airport Carbon Accreditation* programme. A road map is being prepared to show the different stages.

As part of its sustainable development and construction policy, Groupe ADP has set itself the strictest rules to limit primary energy consumption (RT 2012 thermal regulations) and to obtain high environmental quality certification for all its real estate projects (French HQE¹ and British BREEAM¹ standards). It systematically studies the feasibility of certification for new airport projects.

At Paris-Orly, HQE certification "excellent" was awarded in 2017 to the new VIP pavilion.

Increased use of renewable energies

Groupe ADP has also set itself the target of covering 15% of its final energy consumption with renewable sources. At the end of the third quarter 2017, over the last 12 months², renewable energy production units at the airports covered 15.7% of the internal energy consumption of Aéroports de Paris (12.8% at the end of 2016).

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 CO₂ per year, when fully operational.

In 2012, Paris-Charles de Gaulle installed a high-performance heat/refrigeration pump system for the heating and cooling of hall M, 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 CO₂ 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 CO₂.

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 2017 (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 purchased is of renewable origin. The decision was made to move to 80% of electricity of renewable origin for the Paris-Charles de Gaulle and Paris-Orly platforms in 2020.

Land use and measures taken

As a land developer, Groupe ADP takes care to respect the balance of the diversity of living things. The issue of land use is treated in accordance with current regulations.

In line with our soil pollution management procedures updated in 2017, 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. In phase with the new directions

proposed by France in this area, ambitious targets have been set for the 2016-2020 period, in particular to reduce CO₂ emissions per passenger by 65% between 2009 and 2020 while increasing traffic.

In 2017, CO₂ emissions per passenger³ were down 63.0% compared to 2009.

Reduce greenhouse gas emissions

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 CO₂ 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 CO₂ emissions from power plants in 2017 are presented in the table of environmental indicators and verified by a third party per the French national quota allocation plan (PNAQ).

Level 3 of the *Airport Carbon Accreditation* for Paris-Charles de Gaulle, Paris-Orly and Paris-Le-Bourget airports was renewed in 2017. 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. In partnership with the DGAC, Paris-Charles de Gaulle and Paris-Orly airports have developed the local management of departures (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 CO₂ emissions. Moreover, the continuous descent implemented for certain approaches reduces engine load and thus their kerosene consumption and CO₂ emissions.

Reduced by 17% compared to the average for 2013-2015, internal CO₂ emissions (scopes 1 and 2) for the three Paris platforms were⁴ 76,970 tonnes in 2016.

External CO₂ emissions (scope 3) for the three airports were estimated at around 1,925,000 tonnes in 2016⁵, up 3% compared to the average for 2013-2015 due to more reliable calculation methods for certain emission types. Scope 3 emissions take into account:

- ◆ aircraft, for which emissions are determined from the different LTO cycle phases (Landing Take-Off): approach, movements on the ground, take-off, climbing;
- ◆ auxiliary power units (APU), that provide energy on-board the planes and for air-conditioning on the ground, and for which use depends on climatic conditions and the power required for the correct operation of the aircraft;

¹ Building Research Establishment Environmental Assessment Method.

² The value for Q4 2017 (and so, for the civil year) will be published in the 2017 CSR information.

³ CO₂ emissions per passenger take into account the internal emissions for the three Parisian platforms (Scopes 1 and 2).

⁴ 2017 data not available yet for the publication of the document. The results will be published in the 2017 CSR information.

⁵ 2017 data not available yet for the publication of the document. The results will be published in the 2017 CSR information.

- ◇ ground handling vehicles used by external companies and required for all aircraft logistics on the ground;
- ◇ home-work travel for all platform employees;
- ◇ professional travel for employees of Aéroports de Paris;
- ◇ passenger journeys to reach and leave platforms;
- ◇ other sources (internal waste management, third party electricity).

These scope 3 emissions for 2017 will be calculated during the first half-year of 2018.

In 2017, air traffic was up by 4.4% in number of passengers in 2017 compared to 2016 and down 0.4% in number of movements. A virtual stability of aircraft emissions is expected in 2017 compared to aircraft emissions in 2016.

Emissions (scope 1 and 2) from Groupe ADP's subsidiaries and investments were estimated for 2016¹ to:

- ◇ around 710 tonnes of CO₂ in 2016 for the majority owned subsidiaries or those over which Groupe ADP has operational control (accounted for in Groupe ADP's scopes 1 and 2); and
- ◇ around 48,800 tonnes of CO₂ for subsidiaries and investments over which the Group does not have operational control and which are consolidated in proportion to Groupe ADP's financial investment at 31/12/2016² (accounted for in Groupe ADP's scope 3).

The 2016³ CO₂ emission and greenhouse gas balance and the emission reduction action plan are available on the website www.groupeadp.fr, Group section, CSR tabs, Documents page, as well as on Ademe's GHG platform.

The mobility plan

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, Groupe ADP deployed a mobility plan⁴ in 2005. It also actively contributes, with its airport partners, to the inter-company mobility plans of its airports, Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget.

The 2016-2018 plan includes around ten actions to optimise the organisation of work, develop electromobility and active modes and make employees more aware of sustainable mobility. All the information, tools and documents on this issue are available on a dedicated intranet site.

Inter-company mobility plans have also been implemented with the companies present at the airports, since 2011 at Paris-Charles de Gaulle, 2012 at Paris-Orly and 2013 at Paris-Le Bourget. Shared initiatives contribute to improving airport access.

Collaborative tools in action

To reduce employees' professional travel, Groupe ADP provides a network of 70 video-conference rooms. Since 2010, over 6,000 IT positions equipped with the Skype Entreprise system have been installed for audio or videoconferencing and to share documents online. Employees may also work remotely from free access working positions spread across the different sites.

Reducing the carbon footprint of the vehicle fleet

Aéroports de Paris has 234 clean service vehicles (electrical and hybrid) and 315 charging points at its airports. Groupe ADP's aim is for clean vehicles to account for 25% of its light vehicle fleet by 2020 (23.8% at the end of 2017).

Aéroports de Paris and the subsidiary, Hub One, offer their employees eco-driving 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 access to airports. Fully committed to the success of the Paris 2024 Olympics Games, Groupe ADP has taken investment decisions to facilitate access to the airport platforms (CDG Express project) and support the Grand Paris Express project which plans for the creation of three stations on the Paris-Charles de Gaulle and Paris-Orly areas.

Adaptation to climate change

Since 2014, specific attention has been paid to the "natural environment" risk. It was the subject of a specific mapping in 2016, with an update planned for 2018. Groupe ADP also evaluated the financial risks linked to its greenhouse gas emissions 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, Groupe ADP 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

Groupe ADP occupies more than 6,000 hectares of land in Ile-de-France and is directly involved in the protection of biodiversity, which is one of the six 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 with partners, for example the Hop! association. Biodiversité, 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.

Launched in 2016 for Paris-Charles de Gaulle airport, the Development, landscape and biodiversity study is being rolled-out for Paris-Le Bourget and Paris-Orly airports.

Paris-Orly airport no longer uses phytosanitary products to maintain its green areas next to runways.

¹ 2017 data not available yet for the publication of the document. The results will be published in the 2017 CSR information.

² Excluding TAV Construction, sold in 2017.

³ 2017 data not available yet for the publication of the document. The results will be published in the 2017 CSR information.

⁴ Change in the Corporate Travel Plan (PDE).

Environmental indicators for the Group

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	2017	2016
Consumption of drinking water (in m³)		2,719,275	2,950,168
Paris-Charles de Gaulle	1	2,085,413	2,267,723
Paris-Orly	1	526,594	608,438
Paris-Le Bourget	1	107,268	74,007
Internal consumption of drinking water (in m³)		1,397,877	1,361,975
Paris-Charles de Gaulle	2	1,035,731	1,031,268
Paris-Orly	2	316,665	315,940
Paris-Le Bourget	2	45,481	14,767
Gas consumption (in MWh PCS)		263,155	257,004
Paris-Charles de Gaulle	1	207,381	212,465
Paris-Orly	1	43,313	30,724
Paris-Le Bourget	1	12,461	13,816
Total electricity purchase (internal + external) (in MWh)		476,177	474,177
Paris-Charles de Gaulle	1	336,192	332,938
Paris-Orly	1	115,273	116,093
Paris-Le Bourget	1	24,712	25,146
Internal electricity consumption (in MWh)		(✓) 370,986	359,239
Paris-Charles de Gaulle	2	290,959	279,250
Paris-Orly	2	73,647	78,048
Paris-Le Bourget	2	6,380	1,940
Heat generation (in MWh)		350,527	319,692
Paris-Charles de Gaulle	1	258,329	226,925
Paris-Orly	1	83,421	81,583
Paris-Le Bourget	1	8,777	11,184
Refrigeration output (in MWh)		148,375	140,961
Paris-Charles de Gaulle	1	125,294	118,713
Paris-Orly	1	22,292	21,277
Paris-Le Bourget	1	789	971
CO₂ emissions from power plants, French national quota allocation plan^{1,2} (in tonnes)		44,600	50,314
Paris-Charles de Gaulle	1	36,769	41,769
Paris-Orly	1	5,545	5,960
Paris-Le Bourget	1	2,286	2,585
NOx emissions from power plants^{2,3} (in tonnes)		37.9	71.1
Paris-Charles de Gaulle	1	33	69.5
Paris-Orly	1	3.5	3.8
Paris-Le Bourget	1	1.4	1.6

	Scope	2017	2016
Vehicles CO₂ emissions ² (in tonnes)		2,227	2,500
Paris-Charles de Gaulle	2	1,214	1,482
Paris-Orly	2	888	855 ⁴
Paris-Le Bourget	2	125	163
Share of renewable energy in the final internal energy consumption (in %)		15.7	12.8
Paris-Charles de Gaulle	2	15.9	10.2
Paris-Orly	2	19.1	25.5
Paris-Le Bourget	2	6.7	7.1
Increase in energy efficiency compared to 2015 (year of reference) in primary energy consumed/m² (in %)		1.8	1.9
Paris-Charles de Gaulle	2	0.3 ⁴	1.9
Paris-Orly	2	5.0	1.4
Paris-Le Bourget	2	4.6	3.9
Volume of non-hazardous waste collected (in tonnes)		39,784	40,483
Paris-Charles de Gaulle	1	31,770	32,806
Paris-Orly	1	6,715	6,383
Paris-Le Bourget	1	1,299	1,294
Volume of internal non-hazardous waste collected (in tonnes)		(✓) 16,259	15,796
Paris-Charles de Gaulle	2	10,305	9,963
Paris-Orly	2	5,574	5,541
Paris-Le Bourget	2	380	291
Distribution of internal non-hazardous waste by treatment type (in %)			
Recycled	2	(✓) 33.1	29.5
Incinerated	2	(✓) 65.4	70.1
Buried	2	(✓) 1.5	0.5
Volume of internal hazardous industrial waste collected (in tonnes)		2,997	2,556
Paris-Charles de Gaulle	2	2,601	2,355
Paris-Orly	2	233 ⁵	125
Paris-Le Bourget	2	162	76
Help to local residents for soundproofing			
Number of applications processed		2,198	1,841
Paris-Charles de Gaulle		1,150	645
Paris-Orly		801	981
Paris-Le Bourget		247	215
Amounts committed (in €m)		38.21	37.17
Paris-Charles de Gaulle		21.98	16.66
Paris-Orly		12.7	16.59
Paris-Le Bourget		3.53	3.92

Scope 1: internal (Aéroports de Paris SA) and external Aéroports de Paris SA (third parties present at our airports).

Scope 2: Internal scope (Aéroports de Paris SA only).

¹ Data verified by a third-party controller.

² Data over a calendar year.

³ Calculated on the basis of the consumption of fuels and emissions factors used as part of the GERE declaration for Paris-Orly and Paris-Le Bourget, on the basis of continuous measurement for Paris-Charles De Gaulle.

⁴ The global decrease observed can be explained by the commissioning of new facilities highly energy consuming (ex: Hall L luggage sorting system), the slight decrease in heat production productivity, generating more losses, an upgrade of the heat count, that lead to reinstate in the scope of reporting some consumptions without integrating new areas in Paris-Charles de Gaulle as counterpart.

⁵ Since 2017, hydrocarbon waters are accounted for in hazardous wastes for Paris-Orly; they were already accounted for in Paris-Charles de Gaulle's hazardous wastes.

(✓) 2017 data verified by Deloitte with a reasonable degree of assurance.

17.5 SOCIETAL RESPONSIBILITY INFORMATION

Territorial, economic and social impact of Company activity

Groupe ADP's 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.

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 expectations of its many stakeholders, Aéroports de Paris has created two regional delegations within its Environment and Sustainable Development Department: one for Paris-Orly, the other for Paris-Charles de Gaulle and Paris-Le Bourget. These delegations meet with local residents, elected representatives, associations, school groups, etc. A website is dedicated to this dialogue: www.entrevoisins.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.

Economic and social development around the platforms

Within the framework of its policy of sustainable development, Groupe ADP 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 Groupe ADP Corporate Social Responsibility Report¹.

Commitment to local employment

Over 122,040 people work at the airports, 90,190² at Paris-Charles de Gaulle, 28,360 at Paris-Orly and 3,490 at Paris-Le Bourget).

Results of the socio-economic impacts study made in 2017 show that Parisian airports supported 2.2% of job in France and contributed to wealth creation for National economy up to €30.3 billion in 2016.

On a regional basis, the global economic activity generated by the Parisian airport system represents 3.9% of the GDP of the region Île de France and 7.9% of the job of the region Île de France, totalling 570,860 jobs (data: study Utopies 2017)

For over fifteen years Aéroports de Paris, in conjunction with its economic partners, has been investing in programmes to encourage inclusion, employability and job retention.

Since 2017, the Social and Solidarity division (ESS) carries the NGO Planèt'AIrport which brings together the associative structures created by Groupe ADP in partnership with the regional authorities and companies. Testifying to Groupe ADP's commitment to the regions surrounding its platforms, it has deployed the FILM (training, insertion, accommodation, mobility) programme, carried by four associations: Planèt'Formation, First Stade, Comité Habitat and Papa Charlie. Each year, nearly 1,300 people are trained, 400 families find accommodation, 300 people can go to work thanks to very low-cost car rental. All these initiatives enable some to find stable employment.

In addition, each year, *Discover airport occupations* seminars for local job-seekers are organised for the Grand Roissy-Le Bourget area in the North and Grand Orly in the South. Companies and public services present their occupations as well as the organisations and training courses leading to them. The aim is to help job-seekers to better present their career plan. Practical workshops to prepare professional interviews, enhance your image, or understand company codes complete the information.

Delegations also take part in information forums about airport occupations, organised by schools and local communities next to the airports.

They also organise, along with the Job Centres and local prescribers, recruitment forums for companies in sectors in demand.

Other actions have been carried out at Paris-Charles de Gaulle, including the "Occupation orientation" to promote airport occupations to motivated groups of school children, selected and "prepared" by the education teams at the schools. This approach aims to help them prepare their vocational orientation in the identified sectors of Grand Roissy-Le Bourget (hotel-restaurants, freight-logistics, reception-sales, aeronautical mechanics) and to let them discover these sectors and get to the heart of the activity of the companies, in order to better understand how they operate.

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.

Responsible purchasing and subcontracting

Aéroports de Paris' purchases exceed €1 billion per year and are broken down into four categories: supplies, equipment, services and intellectual services.

Aéroports de Paris has held the Responsible Supplier Relations label since 2014, along with 36 other companies. Awarded by the Médiation interentreprises (under the Finance Ministry) and the Conseil national des achats (National Purchasing Council), this label recognises the inclusion of the sustainable development strategy in the purchasing function and supplier relations. Awarded for three years, it includes an annual audit to check the correct deployment of improvement plans on essential criteria.

¹ Available on the website www.groupeadp.fr.

² 2017 data, all contracts combined (permanent, fixed-term, interim, work-study and other contracts).

Recognised by the Conseil national des achats in June 2016 as “Best purchasing department of the year”, for its actions (organisation, processes, CSR), Aéroports de Paris’ Purchasing Department received the Les Echos Ethics Prize, the Décisions Achats Trophy Silver prize and the EIPM Peter Kraliic prize for the Purchasing Department of the year 2017. Certified ISO 9001 for its quality management system in February 2017, it was also rated 84/100 (80/100 in 2014) by the extra-financial rating agency, Ethifinance, in 2016.

Ethics and securing of purchasing and procurement processes

For all contracts in excess of €25,000, since 2010, the Purchasing Department has deployed a secure five-stage process, with three *gates* (validations) and four approvers from one of the following four entities: requesting unit, management controller, Legal department, Purchasing department. This process aims to ensure ethics and transparency throughout the contract bidding cycle.

In order to further secure the purchasing procedure for purchases of less than €25,000, the Purchasing Department initiated a programme in January 2015 to place all of the Company’s procurement under its responsibility, with support for managing change and a training programme for logistics experts.

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.

Integrated into all new contracts since 2014, the supplier CSR charter supports suppliers in their ethical and code of ethics policies or encourages 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.

Sapin II law and the duty of vigilance

As part of the approach steered by the Group Ethics Officer, Aéroports de Paris’ Purchasing Department has defined a methodology to map risks of corruption in the area of purchasing, in accordance with the law. The aim is to determine the level of exposure to corruption according to different criteria: sector of activity, existence and quality of different stakeholders, supplier origin, business opportunities, etc. From this mapping, it has designed an assessment system for suppliers, as a decision tool both before and during the contract.

In accordance with the law of 27 March 2017, on the duty of vigilance of parent companies and order providers, the Purchasing Department has also reinforced the systems governing the relations with its suppliers and sub-contractors in the areas of human rights, health and safety and the environment. This approach is jointly conducted by the Group’s Ethics Officer and the Environment and Sustainable Development Department.

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, etc.) 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 to ensure that service providers and suppliers progress in areas that are important for the Company and to support them in the long-term as they improve their performance. They account for 5 to 10% of the final rating awarded. In 2017, more than 72% (78% in 2016) of contracts entered into by Groupe ADP (for a target of 75%) include at least one CSR criterion, in addition to technical and financial criteria.

In 2017, Aéroports de Paris’ Purchasing Department reinforced its energetic performance criteria in consultations for markets with a strong impacts on Aéroports de Paris’ energetic performance. It integrated an energetic performance criterium, distinctive of CSR criterium, on 60% of markets targeted as high energy consumer (target set at 50% in 2017).

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 their responses with the supporting documents supplied.

For the purchase of services with a strong CSR social aspect, which account for more than 30% of the purchasing amount, 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 expert analyses the documents and takes part in negotiations which include a discussion period dedicated to this matter.

Since 2014, Groupe ADP has decided to expand even further on this approach and verify during the execution phase, by means of social audits, the suppliers’ compliance with their commitments on the different criteria. The Company uses an independent external provider to carry out this audit. In 2017, a partnership was signed with a specialist service provider to ensure that suppliers comply with the regulatory provisions on the underground economy and regulations on facilities classified for environmental protection (ICPE – installations classées protection de l’environnement) throughout the contract.

These audits also enable suppliers to make improvements by implementing improvement plans which include areas for improvement and auditor recommendations. In 2017, seven audits were conducted: two on the works segment and five on the service segment. Several audits are planned for 2018 on the services and maintenance segments.

For several years, the Purchasing Department has prepared a detailed report of workplace accidents involving service providers to monitor trends and figures for certain segments and suppliers. Specific steering meetings were organised in 2017 with suppliers in segments with the highest workplace accident rates and action and commitment plans were launched to stimulate a continuous improvement approach.

A team trained in responsible purchasing

Training and awareness-raising programmes on responsible purchasing have been delivered to buyers since 2007. The goal of these modules is to recap the main CSR issues for Groupe ADP, 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.

Maintain momentum for socially inclusive purchasing practices

The work of the Mission Handicap and the Purchasing Department, with the involvement of advisory bodies, has made it possible to maintain momentum since 2014 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 GESAT¹, a major organisation in the sector, facilitating the relationship between Aéroports de Paris, its counterparts from ordering parties and the service providers.

In 2017, Groupe ADP ordered services worth €938,000 from 21 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 88% are covered by multi-year contracts.

Moreover, for 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. Social inclusion clauses have also been included in the contracts for works on the link between the South and West terminals at Paris-Orly.

Increasing purchases from SMEs: a contribution to the Company's local involvement

As a signatory of the SME charter promoting partnerships between major companies and innovative SMEs, Groupe ADP intends to further develop its purchases from SMEs located in areas surrounding the airports.

Its regular attendance at meetings with SMEs in the Île-de-France region and other regions, such as the Business Meetings in Grand Roissy in October 2017, reinforces its links with the local economic fabric. 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. The Purchasing Department obtained a rating of 80/100 in 2016 and 2017.

Measures to promote the health and safety of consumers

Airport safety

Each airport has an airport security certificate covering infrastructures, operational procedures and the security management system.

In 2017, Groupe ADP obtained the European Airport Security Certificate (mandatory for all airports receiving commercial flights and cargo) thus confirming the compliance of its operational processes on security, airport infrastructure and airport security management system to the extended requirements introduced by the European regulations.

Groupe ADP sees its responsibilities extended in terms of airport safety (training in driving in movement zones, training in access to airside areas, increase in the zone of operational responsibility beyond the airport limits).

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 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 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 after the terrorist attacks that took place in 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 departments concerned. According to the new national security directive (DNS), published in October 2015, Aéroports de Paris updated its OSP in 2016, 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 entities, which are supported with advice regarding their implementation.

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).

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 landside activities (roads and car parks).

Groupe ADP Corporate Foundation

Groupe ADP's Foundation represents the Company's wish to increasingly link economic development and a commitment to serve the regional and human environment.

The Foundation supports general interest projects in the regions where the Group operates in France and abroad, prioritising the fight against illiteracy and the prevention of school dropouts, predominantly for disadvantaged populations. 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. In 2017, 169 employees gave time out of their working or personal time to the supported associations through four involvement programmes: sponsorship, tutoring-coaching for young local high school students, expertise sponsorship or solidarity vacations. Inaugurated in 2017, the latter enabled three employees to take part in an international educational mission in Madagascar and Benin.

The "Groupe ADP Foundation Prizes" encourage Company employees in their societal, humanitarian and associative commitments. The *Employees' Prize* highlights the associations supported by the foundation by inviting Groupe ADP employees to vote for their favourite project. This year, an additional subsidy of €2,000 will be given to the La Cravate Solidaire Association for its "Helping hand workshops for young start-ups" project. The *Foundation's Favourite Prize*, highlights employee commitment in an associative project which may in turn be supported by the Foundation. In December 2017, the Chairman and members of the Foundation's Board of Directors awarded the "Foundation's Favourite" prize to three associations carried by Group employees (The Real Me, Bethel and Salydarité) for an amount of €9,000.

Groupe ADP's Foundation is steered by a Board of Directors chaired by Augustin de Romanet, Chairman and CEO of Aéroports de Paris – Groupe ADP, which sets the Foundation's directions and monitors its control. Two selection committees meet once a year to analyse the supporting application files in the intervention areas covered by the statutes of the Foundation and set the amounts.

In 2017, the Foundation paid €1,000,000 to 54 projects.

¹ Grouping together of establishments and services promoting assistance through work.

17.6 METHODOLOGICAL NOTE ON SOCIAL, SOCIETAL AND ENVIRONMENTAL REPORTING

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 2017 *social reporting* period is based on a calendar year (1 January to 31 December 2017) 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 2016 to 30 September 2017, except for CO₂ and NO_x 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 owned at 50% and more: ADP Ingénierie, ADP International (formerly Aéroports de Paris Management), Hub One and TAV Airports, with the exception of Média Aéroports de Paris which represents less than 1% of the Group's workforce.

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. The scope will be extended to the entire Groupe ADP 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, except in the cases indicated below.

These consolidation rules apply to all indicators of environmental and societal reporting.

Quantitative environmental data for owned subsidiaries are not included in the management report given the impact and representativeness of the data compared with Aéroports de Paris and the non-material nature of the data. Aéroports de Paris 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 2017 management report.

The scope of scope 3 CO₂ emissions covers external CO₂ emissions of the airports linked to planes, access for passengers and employees, business trips of all employees, ground handling vehicles (GSE), auxiliary power units (APU) for planes, internal waste treatment and consumption in third party buildings.

Change in consolidation scope

Changes in scope of consolidation are taken into account at the time of their actual introduction.

- ◆ Corporate scope: the scope is updated in year N.
- ◆ Environmental scope: the scope is updated in year N+1.

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.

When the data are considered relevant, previous years may be consolidated according to the new scope for ease of comparison (*pro forma*).

A change in scope occurred between the 2016 reporting and 2017 reporting: the subsidiary, Hub Safe, was sold (80% of the capital) and Aéroports de Paris strengthened its position in the share capital of TAV Airports (46.12% of the capital), fully consolidated since the 2nd half-year of 2017. For the 2017 financial year, the decision was taken not to include TAV Airports in the social (excluding the annual average staff numbers, published for the scope of the Group including TAV Airports) and environmental reporting. Integration is planned for 2018 after a full year of operations.

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's 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 2017 management report lists 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" indicator 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 professionalisation, apprenticeship, employment support, future jobs), 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 2017, as well as in 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 2017 in number of employees hence the absence of data for this indicator for the subsidiaries.

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. The other systems used are SAP FI- company financial statements and consolidated financial statements and specific workplace security applications. 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 2017 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 CO₂ 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
a) Workforce		
- 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) Work organisation		
- Organisation of working time	Y	Chap. 17.1
- Absenteeism	Y	Chap. 17.2
c) Labour-management relations		
- Organisation of labour-management discussions (staff information and consultation procedures, negotiation procedures)	Y	Chap. 17.1
- Collective bargaining agreements	Y	Chap. 17.1
d) Health and Safety		
- 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
e) Training		
- Training policies implemented	Y	Chap. 17.1
- Total number of training hours	Y	Chap. 17.2
f) Equal treatment		
- 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
g) Promotion and compliance with the provisions of the fundamental conventions of the International Labour Organisation pertaining to		
- 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		Justification
a) Overall environmental policy		
- 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) Pollution		
- 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

c) Circular economy

i) Prevention of pollution and waste management

- 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

ii) Sustainable use of resources

- 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	

d) Climate change

- 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

e) Protection of biodiversity

- Measures taken to preserve and develop biodiversity	Y	Chap. 17.4
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Societal indicators	Y/N	Justification
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a) Territorial, economic and social impact of company activity

- 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) 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)

- Conditions of dialogue with these persons or organisations	Y	Chap. 17.3
- Partnership and sponsorship initiatives	Y	Chap. 17.5

c) Sub-contracting and suppliers

- 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



18

MAIN SHAREHOLDERS

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18.1 SHAREHOLDING OF THE COMPANY **AFR**

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 2017, 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 2017 on the basis of the following thresholds: intermediaries holding a minimum of 20,000 shares, shareholders holding a minimum of 50 shares. By adding these shareholders to the registered list, 97.1% of the capital was identified. 344 institutional investors were identified in this way.

Breakdown of capital as of 31 December 2017

Shareholders	As of 31/12/2017			As of 31/12/2016		
	% of capital	% of voting rights (including double voting right) ³	Number of shares	% of capital	% of voting rights (including double voting right)	Number of shares
French Government	50.6%	58.5%	50,106,687	50.6%	58.6%	50,106,687
Schiphol Group	8.0%	9.2%	7,916,848	8.0%	9.3%	7,916,848
Vinci Group subsidiary	8.0%	9.2%	7,916,848	8.0%	9.3%	7,916,848
Predica/Crédit Agricole Assurances	5.1%	5.7%	5,052,591	5.1%	5.7%	5,051,791
French institutional investors	6.5%	3.7%	6,398,593	7.4%	4.3%	7,280,214
Non-resident institutional investors	15.8%	9.1%	15,605,446	16.2%	9.3%	15,988,996
French individuals and unidentified shareholders	4.3%	2.6%	4,228,903	2.8%	1.7%	2,732,810
Employees ¹	1.7%	1.9%	1,725,533	1.9%	2.0%	1,851,739
Treasury Shares ²	0.0%	0.0%	9,151	0.1%	0.0%	114,667
TOTAL	100.0%	100.0%	98,960,600	100.0%	100.0%	98,960,600

¹ Pursuant to article L. 225-123 of the French Commercial Code, certain shareholders will automatically be entitled to double voting rights as of 31 December 2017.

² 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), FCPE ADP Actionnariat Salarié of Aéroports de Paris.

³ As part of the share buyback programme. These shares have no voting rights. Breakdown between institutional and individuals shareholders is not available.

18.2 CHANGE IN THE CONTROL OF THE COMPANY

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".

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 on 5 July 2013, 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 company's party to the Group Savings Scheme. 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 appoint 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, certain shareholders have been automatically entitled to double voting rights since 3 April 2016 ¹.

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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 ¹, 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.

The terms of these agreements with regard to the transfer or acquisition of Aéroports de Paris shares are as follows.

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 French 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.

¹ See in this connection Section 21.2.

Veto rights of the French government authorities and Aéroports de Paris:

In the case of a planned transfer to identified persons of Aéroports de Paris shares held by Schiphol Group, the French 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 French 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 the French 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.

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);
- ◇ the 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 French 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 (“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, two agreements have been signed: a shareholders agreement regarding Aéroports de Paris, signed by the French State and the Schiphol Group in the presence of Aéroports de Paris and an exit agreement between Aéroports de Paris and the Schiphol Group.



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OPERATIONS WITH RELATED PARTIES

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19.2 OPERATIONS WITH RELATED PARTIES	158
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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 the paragraph in Chapter 6, "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 Réseau Ferré de France, 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 whose term was originally set to the end of 2017 was extended to 31 December 2018.

For information on related parties, see note 13 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 2017, 2016 and 2015 financial years are presented in Appendix 1 of this Registration Document, and of the 2016 and 2015 Registration Documents



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FINANCIAL INFORMATION ON THE ASSETS, FINANCIAL POSITION AND CONSOLIDATED FINANCIAL STATEMENTS **AFR**

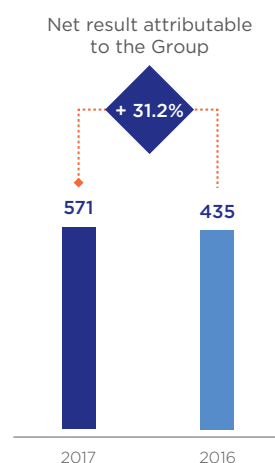
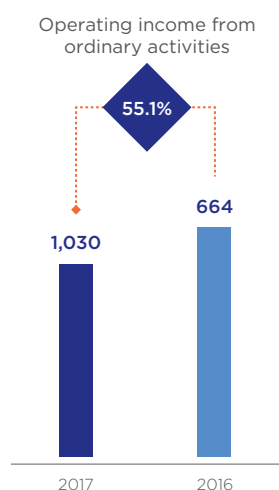
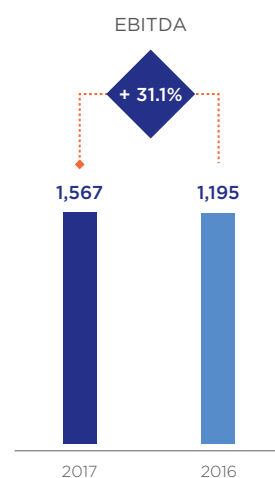
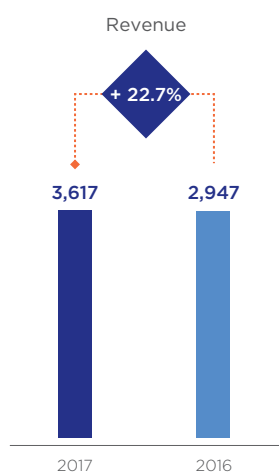
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20.1 GROUPE ADP CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2017

Key figures

(in millions of euros)

	Notes	2017	2016
Revenue	4	3,617	2,947
EBITDA		1,567	1,195
<i>EBITDA/Revenue</i>		43.3%	40.6%
Operating income from ordinary activities		1,030	664
Operating income		1,052	696
Net income attributable to the Group		571	435
Operating cash flow before change in working capital and tax		1,470	1,178
Purchase of property, plant, equipment and intangible assets	12	(879)	(792)
Equity	7	5,434	4,291
Net financial debt	9	3,797	2,709
<i>Gearing</i>		70%	63%





Glossary

- ◆ **Revenue** refers to revenues from the ordinary activities of selling goods and services and leasing activities as a lessor. It also includes financial revenue linked to operational activity.
- ◆ **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. 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.
- ◆ **The share of profit or loss in associates and joint ventures from operating** 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.
- ◆ **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 interests and hedge of the fair value of liabilities related to these debts), debts related to the minority put option (presented in other non-current liabilities).
- ◆ **Net financial debt** as defined by Groupe ADP refers to gross financial debt less receivables and current accounts from associates, hedge of the fair value of assets, cash and cash equivalents and restricted bank balances.
- ◆ **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	2017	2016
Revenue	4	3,617	2,947
Other operating income	4	92	29
Consumables	4	(165)	(113)
Employee benefit costs	5	(814)	(698)
Other operating expenses	4	(1,164)	(996)
Net allowances to provisions and Impairment of receivables	4 & 8	1	26
EBITDA		1,567	1,195
EBITDA/Revenue		43.3%	40.6%
Amortisation and impairment of tangible and intangible assets	6	(615)	(479)
Share of profit or loss in associates and joint ventures from operating activities	4	78	(52)
OPERATING INCOME FROM ORDINARY ACTIVITIES		1,030	664
Other operating income and expenses	10	22	32
OPERATING INCOME		1,052	696
Financial income		47	26
Financial expenses		(226)	(141)
FINANCIAL INCOME	9	(179)	(115)
Share of profit or loss in associates and joint ventures from non-operating activities	-	1	59
INCOME BEFORE TAX		874	640
Income tax expense	11	(260)	(202)
NET RESULTS FROM CONTINUING ACTIVITIES		614	438
NET INCOME		614	438
NET INCOME ATTRIBUTABLE TO THE GROUP		571	435
Net income attributable to non-controlling interests		43	3
Basic earnings per share <i>(in euros)</i>	7	5.77	4.40
Diluted earnings per share <i>(in euros)</i>	7	5.77	4.40
EARNINGS PER SHARE FROM CONTINUING ACTIVITIES ATTRIBUTABLE TO THE GROUP			
Basic earnings per share <i>(in euros)</i>	7	5.77	4.40
Diluted earnings per share <i>(in euros)</i>	7	5.77	4.40



Consolidated Statement of Comprehensive Income

<i>(in millions of euros)</i>	2017	2016
Net income	614	438
◊ Translation adjustments	(21)	1
◊ Change in fair value of cash flow hedges	1	-
◊ Share of other comprehensive income of associates, net after income tax	(15)	5
Recyclable elements to the consolidated income statement	(35)	6
◊ Actuarial gains/losses in benefit obligations of fully consolidated entities	11	(8)
◊ Actuarial gains/losses in benefit obligations of associates	(1)	(2)
Non-recyclable elements to the consolidated income statement	10	(10)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	589	434
◊ attributable to non-controlling interests	30	3
◊ attributable to the Group	559	431

Consolidated Statement of Financial Position

Assets

<i>(in millions of euros)</i>	Notes	As at 31 Dec. 2017	As at 31 Dec. 2016
Intangible assets	6	2,808	110
Property, plant and equipment	6	6,793	6,271
Investment property	6	476	499
Investments in associates	4	686	1,101
Other non-current financial assets	9	376	125
Deferred tax assets	11	1	-
NON-CURRENT ASSETS		11,139	8,106
Inventories		33	26
Trade receivables	4	641	548
Other receivables and prepaid expenses	4	243	116
Other current financial assets	9	248	129
Current tax assets	11	59	-
Cash and cash equivalents	12	1,912	1,657
CURRENT ASSETS		3,137	2,476
Assets held for sales	2 & 4	-	10
TOTAL ASSETS		14,276	10,592

Shareholders' equity and liabilities

<i>(in millions of euros)</i>	Notes	As at 31 Dec. 2017	As at 31 Dec. 2016
Share capital		297	297
Share premium		543	543
Treasury shares		-	(12)
Retained earnings		3,834	3,541
Other equity items		(97)	(85)
Shareholders' equity - Group share		4,577	4,284
Non-controlling interests		857	7
Shareholders' equity	7	5,434	4,291
Non-current debt	9	5,320	4,239
Provisions for employee benefit obligations (more than one year)	5	458	452
Other non-current provisions	8	56	46
Deferred tax liabilities	11	369	198
Other non-current liabilities	8	780	125
NON-CURRENT LIABILITIES		6,983	5,060
Trade payables	4	422	472
Other debts and deferred income	4	724	456
Current debt	9	645	265
Provisions for employee benefit obligations (less than one year)	5	10	17
Other current provisions	8	33	23
Current tax liabilities	11	25	8
CURRENT LIABILITIES		1,859	1,241
TOTAL EQUITY AND LIABILITIES		14,276	10,592



Consolidated Statement of Cash flows

<i>(in millions of euros)</i>	Notes	2017	2016
Operating income		1,052	696
Income and expense with no impact on net cash	12	460	484
Net financial income other than cost of debt		(42)	(2)
Operating cash flow before change in working capital and tax		1,470	1,178
Change in working capital	12	113	(77)
Tax expenses		(313)	(226)
Cash flows from operating activities		1,270	875
Purchase of property, plant, equipment and intangible assets	12	(879)	(792)
Change in debt and advances on asset acquisitions		(52)	31
Acquisitions of subsidiaries and investments (net of cash acquired)	12	20	(20)
Proceeds from sale of subsidiaries (net of cash sold) and investments	12	21	71
Change in other financial assets		(46)	(11)
Proceeds from sale of property, plant and equipment		6	27
Dividends received	12	42	70
Cash flows from investing activities		(888)	(624)
Capital grants received in the period		6	15
Net purchase/disposal of treasury shares		-	12
Dividends paid to shareholders of the parent company	7	(261)	(258)
Dividends paid to non controlling interests in the subsidiaries		(10)	(2)
Proceeds from long-term debt		561	7
Repayment of long-term debt		(253)	(4)
Change in other financial liabilities		(38)	-
Interest paid		(139)	(115)
Interest received		20	18
Cash flows from financing activities		(114)	(327)
Impact of currency fluctuations		(14)	-
CHANGE IN CASH AND CASH EQUIVALENTS		254	(76)
Net cash and cash equivalents at beginning of the period		1,656	1,732
Net cash and cash equivalents at end of the period	12	1,910	1,656
<i>Of which Cash and cash equivalents</i>		<i>1,912</i>	<i>1,657</i>
<i>Of which Bank overdrafts</i>		<i>(2)</i>	<i>(1)</i>

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	As at 1 Jan. 2016	297	543	(24)	3,390	(81)	4,125	7	4,132
	Net income	-	-	-	435	-	435	3	438
	Other equity items	-	-	-	-	(4)	(4)	-	(4)
	Comprehensive income - 2016	-	-	-	435	(4)	431	3	434
	Treasury share movements	-	-	12	-	-	12	-	12
	Dividends paid	-	-	-	(258)	-	(258)	(3)	(261)
	Other changes	-	-	-	(26)	-	(26)	-	(26)
98,960,600	As at 31 Dec. 2016	297	543	(12)	3,541	(85)	4,284	7	4,291
98,960,600	As at 1 Jan. 2017	297	543	(12)	3,541	(85)	4,284	7	4,291
	Net income	-	-	-	571	-	571	43	614
	Other equity items	-	-	-	-	(12)	(12)	(13)	(25)
	Comprehensive income - 2017	-	-	-	571	(12)	559	30	589
	Treasury share movements	-	-	-	-	-	-	-	-
	Dividends paid	-	-	-	(261)	-	(261)	(10)	(271)
	Other changes	-	-	12	(12)	-	-	-	-
98,960,600	As at 31 Dec. 2017	297	543	-	3,834	(97)	4,577	857	5,434

Details of change is consolidated shareholder's equity and the detail of other equity items are given in note 7.



Notes to the Consolidated financial statements

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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 2017 were approved by the Board of Directors on 22 February 2018. They will be submitted for approval by the shareholders during the Annual General Meeting to be held on 4 May 2018.

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 2017.

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 of measurement 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:

- ◆ the valuation at fair value of the assets acquired and liabilities taken on as part of a business combination (see Note 2.1);
- ◆ pension plans, termination benefits and other post-employment benefits (see note 5);
- ◆ impairment tests of non-current assets and impairment tests of Investments in joint associates or joint ventures (see paragraph 4.9.2);
- ◆ provisions for risks and litigations (see note 8);
- ◆ the fair value of investment property (see paragraph 6.3.2).

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 2017.

These standards are available on the European Commission's web site at the following address:

https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs-financial-statements

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 IASB, 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 as from 1 January 2017

Standards and amendments effective on 1 January 2017 and that have not been applied earlier by the Group are the following:

- ◆ amendments to IAS 7 – proposed amendment under disclosure initiative (issued in January 2016);
- ◆ amendments to IAS 12 – Recognition of deferred tax assets for unrealised loss (issued in January 2016).

The impact of these new amendments is considered immaterial on the consolidated financial statements.

Standards, amendments and interpretations that have been endorsed by the EU and applicable after 1 January 2017 and not early adopted by the Group

The Group has not applied the following standards, amendments and interpretations that are not applicable in 2017 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 the European Union on 22 September 2016 and must be applied from 2018 onwards;
- ◆ 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. These standards have been endorsed by the European Union in October 2017 and must be applied from 2018 onwards;

- ◆ IFRS 16 – Leases (issued in January 2016). This standard will replace the standard IAS 17 as well as related IFRIC Interpretation 4, SIC 15 and SIC 27. This standard has been endorsed by the European Union in October 2017 and must be applied from 2019 onwards;
- ◆ 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 European Union on 22 November 2016. This standard must be applied from 2018 onwards;
- ◆ 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 in December 2016);
- ◆ IFRIC Interpretation 22 – Foreign currency transactions and advance consideration (issued in December 2016);
- ◆ IFRIC Interpretation 23 – Uncertainty over income tax treatment (issued in June 2017);
- ◆ amendments to IAS 40 – Transfers of Investment Property (issued in December 2016);
- ◆ amendments to IFRS 9 – Prepayment features with negative compensation (issued in October 2017);
- ◆ amendments to IAS 28 – Long-term interests in associates and joint ventures (issued in October 2017).

Estimated impacts of standards effective as from 2018

The standard IFRS 15 – Revenue from contracts with customers will be applied as from 1 January 2018 retrospectively.

In this context, Groupe ADP carried out an analysis of its revenue to assess the impact of the application of this new standard on its scope of consolidation, excluding TAV Airport sub-group as it has been acquired during the second semester 2017.

Findings on the analysis showed that there will be a limited impact on the scope examined.

Indeed, this standard will have no impact on:

- ◆ airport fees and Ancillary fees recognition; the related services are consumed on short cycles and the regulated prices reflect the stand-alone selling price of each service;
- ◆ revenue recognition from airport safety and security services, received from the "Direction Générale de l'Aviation Civile" (DGAC); These services being analysed as a whole performance obligation corresponding to a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer which is a performance obligation satisfied over time. Furthermore, the revenue must be recognised for the gross amount as Aéroports de Paris SA is primarily responsible for fulfilling its public service mission reimbursed by the DGAC;
- ◆ revenue from retail activities, rental income and revenue from car parks as those activities are recorded under the scope of IAS 17 – Leases.

Methodology changes to be forecast considering this new standard are mainly related to long-term contracts:

- ◆ design and consulting services provided by ADP Ingénierie, these services will be recorded using the completed-contract method under IFRS 15 instead of the current percentage-of-completion method;



- Technical Service Agreements (TSA) provided by ADP International which will be recognized using a straight line method, considering a continuous transfer of the service nature ("obligation to be ready along the contract period"). Revenue will be recognised in the accounts only if it is highly probable and in practice, the variable part will be declared only when EBITDA, which serves as a basis for the variable part, is realised and under the condition of an expected growth in EBITDA for the remaining contract period.

Resulting impacts on equity as at 1 January 2017 are estimated at less than 1% of the total equity of the Group.

Considering the scope entry of the TAV Airports sub-group during the second semester 2017, the Group is not able to communicate on the impact of the new IFRS 15 standard on Groupe ADP 2017 revenue.

Regarding IFRS 9 – Financial instruments, standard implementation should have an impact on:

- depreciation of trade receivables: transition from a depreciation model based on proven losses to a model based on expected losses requires to review the Group's depreciation policy. The calculation will depend

on the characteristics of trade receivables (similar trade receivables, significant trade receivables), the client probability of default and the loss given default;

- changes in debts resulting from renegotiation: the Group has calculated the amortized cost of the modified debt by discounting the modified contractual cash flows at the original effective interest rate as required by IFRS 9 (and not at the new effective interest rate as calculated so far). The impact of this new accounting treatment as of 1 January 2018 has been estimated not significant for the Group.

In addition the Group is currently analyzing its loans and non-consolidated securities in order to comply with IFRS 9 requirements.

Estimated impacts of standards effective as from 2019

Regarding IFRS 16 – Leases, the lease contracts impacted by this standard mainly relate to real estate and vehicles.

Finally, with respect to the other texts mentioned before, it should not have a significant impact on Group's consolidated accounts.

NOTE 2 SIGNIFICANT EVENTS

2.1 Reinforcement of Groupe ADP in the capital of TAV Airports

Aéroports de Paris SA, mother company of Groupe ADP, through its subsidiary Tank ÖWA alpha GmbH, entered into a share purchase agreement, signed on 9 June 2017, with Akfen Holding A.Ş. ("Akfen Holding") for the acquisition of Akfen Holding's whole stake in TAV Havalimanlari Holding A.Ş. ("TAV Havalimanlari Holding" or "TAV Airports"). With this transaction, Groupe ADP acquired an additional 8.12% stake in TAV Airports, for an amount of \$160 million.

As the suspensive conditions have been lifted on 7 July 2017, Groupe ADP now holds 46.12% of the share capital of TAV Airports.

Groupe ADP has been a 38% shareholder of TAV Airports since 2012 and accounted its investment under the equity method.

This additional acquisition of TAV Airports' shares reinforces the involvement of Groupe ADP in TAV Airports and allows it to exercise de facto control. Indeed, in addition to the fact that this entity is held by a highly diffuse shareholding, this control is justified by the signature of a shareholder agreement with the main minority shareholders, which gives the Group the capacity to take relevant unilateral decisions for TAV Airports. Consequently, as from 7 July 2017, TAV Airports is fully consolidated in the accounts of Groupe ADP.

- TAV Airports** is a leading airport operator in Turkey. It operates 17 airports and manages directly 16 airports worldwide: Istanbul

Atatürk, Ankara Esenboga, Izmir Adnan Menderes, Alanya-Gazipasa, and Milas-Bodrum in Turkey, Tbilisi and Batumi in Georgia, Monastir and Enfidha in Tunisia, Skopje and Ohrid in Macedonia, Médine in Saudi Arabia and Zagreb airport along with ADP International. In 2017, the consortium formed by TAV Airports and Al Rajhi Holding Group concluded agreements to operate the airports in Qassim, Hail and Yanbu International Airports in Saudi Arabia. TAV Airports also conducts business in related areas of airport operations including duty free, catering, ground handling services, information technologies, security and operation services. The group is composed of:

- ten main subsidiaries and participating interests specialised in airport management activities: TAV Istanbul, TAV Esenboga, TAV Izmir, TAV Gazipasa, TAV Milas Bodrum, and TAV Macedonia which are 100%-held, TAV Georgia, which is 80%-held, TAV Medinah, which is 33.3%-owned; TAV Tunisia, which is 67%-owned and MZLZ in Croatia, in which the Group holds an indirect 15% stake,
- three main subsidiaries providing services: ATU, which specialises in duty free and is 50%-owned, BTA, which specialises in catering and is wholly-owned, and Havas, a ground-handling services company which is wholly-owned,
- three wholly-owned specialised service companies: TAV O&M, which notably manages airport lounges, TAV IT, which handles the airports' information systems, and TAV Security, which provides security services.

In accordance with IFRS 3 "Business combinations", shares previously held were revaluated at fair value through income statement on the date of control acquisition, based on the stock market price at the time of the operation. This revaluation, performed under the partial goodwill method (see note 3.1), has an impact of €63 million on income statement, as detailed in the following table:

(in millions of euros)

Fair value of TAV Airports shares at 38% - Market value on 7 July 2017	A	647
Value of shares accounted for by the equity method of TAV Airports as at 7 July 2017	B	573
Conversion reserve	C	(11)
Capital gain recognized related to the sale of 38% of TAV Airports¹	(A-B-C)	63

¹ Recognized in Share of profit or loss in associates and joint ventures from operating activities

In accordance with IFRS 3, fair value adjustments on assets acquired and liabilities written back are recognised as counterparty of goodwill adjustments based on information obtained during the allocation period, being 12 months following the acquisition date. Groupe ADP proceeded to the identification and evaluation of the identifiable assets and liabilities of TAV Airports in order to allocate the fair value of the consideration paid (\$160 million for the 8.12% and €647 million for the fair value of the 38% of shares previously held) between these various elements. Based on these analyses, the preliminary goodwill amounts to €113 million.

Revaluations of opening balance sheet mainly relate to:

- ◇ intangible assets, notably the intangible asset related to the concession of Istanbul Atatürk, airport operation rights and contractual relationships with clients using a method based on discounted cash flows including, for each asset, hypotheses and estimates of period, discount rate, investments, traffic evolution, revenue and net results;
- ◇ deferred tax linked to these revaluations.

Preliminary valuation of assets and liabilities acquired at the date of control acquisition of TAV Airports:

(in millions of euros)

Assets and liabilities acquired - at 100%		Fair value
Intangible assets		2,695
Property, plant and equipment		210
Participations dans les entreprises mises en équivalence		173
Other non-current financial assets		268
Deferred tax assets		35
Total non-current assets		3,381
Inventories and work in progress		10
Trade and other operating receivables		395
Cash and cash equivalents		193
Total current assets		598
Non-current provisions		44
Loans and financial debt		581
Other non-current liabilities		623
Deferred tax liabilities		205
Total non-current liabilities		1,453
Current provisions		7
Current borrowings		635
Trade payables and other current liabilities		370
Total current liabilities		1,012
Net assets acquired Group share at 46.12%	A	674
Acquisition-date fair value of the total consideration transferred	B	787
<i>Of which remeasurement to fair value of shares previously held</i>		647
<i>Of which purchase price for 8.12% of shares</i>		140
PRELIMINARY GOODWILL	B-A	113

At 100%, the net assets acquired by the Group amount to €1,462 million, after consideration of the investment which does not give control for €51 million.

If the transaction had taken place on 1 January 2017, revenue, operating income and net income for the year 2017 would have been €1,136 million, €211 million and €68 million respectively.

The twelve-month contribution corresponds to the sum of:

- ◇ TAV Airports contribution to the consolidated accounts of the Group since the acquisition date (from 7 July 2017 to 31 December 2017); and
- ◇ its estimated contribution from 1 January 2017 to 7 July 2017 (figures were determined based on the assumption that fair value adjustments determined as at 7 July 2017 would have been identical as at 1 January 2017).



For information, the result contributed by TAV Airports since 7 July 2017 to the Group consolidated income statement breaks down as follows:

<i>(in millions of euros)</i>	2017
Revenue	616
EBITDA	280
Amortisation & Depreciation	(143)
Share of profit or loss in associates and joint ventures from operating activities	11
Operating income from ordinary activities	149
Operating income	149
Financial income	(60)
Income before tax	88
Income tax expense	(19)
NET INCOME	70
NET INCOME ATTRIBUTABLE TO THE GROUP	29

2.2 Disposal of TAV Construction

As of December 2016, Groupe ADP initiated a plan to sell all of its stake in TAV Yatirim Holding ("TAV Investment"), representing 49% of the capital of this holding, which holds 100% of TAV Yatirim Holding A.Ş. ("TAV Construction"). As such, TAV Construction had been reclassified as "Assets held for sale" at 31 December 2016. Together with the acquisition of 8.12% of TAV Airports' shares on 7 July 2017, Groupe ADP proceeded with the sale of its 49% stake in TAV Investment to Sera Yapi Endustrisive Ticaret A.Ş. and Tepe İnşaat Sanayi A.Ş. for an amount of €9 million. The net gain on disposal amounts to €12 million and is disclosed under the line "Share of profit or loss in associates and joint ventures from operating activities".

2.3 Disposal of 80% of the subsidiary Hub Safe

On 29 September 2017, Groupe ADP finalized the sale to Groupe Samsic of 80% of its shares in its subsidiary Hub Safe, specialized in airport security, after procurement of the required regulatory approvals. Groupe ADP will remain a shareholder with a 20% stake in Hub Safe.

This disposal underlines the desire of Groupe ADP to entrust the control of Hub Safe to a partner that would set the airport security at the heart of its strategy and that could reinforce its expertise as well as its technical and financial means to ensure its development and sustainability.

At the request of Groupe ADP, the final disposal includes the retention of the ongoing contracts signed between Aéroports de Paris SA and Hub Safe, contracts that will last until 2023. At this date, a put and call option agreement will be exercisable, allowing for the sale of the remaining 20%.

The disposal resulted in a pre-tax gain of €27 million, net of selling costs. The result of this transaction is disclosed under the line "Other operating income and expense".

As from 29 September 2017, as Groupe ADP holds 20% of Hub Safe shares, its investment is accounted under equity method in the consolidated financial statements of the Group considering that the Group kept a significant influence.

2.4 Profit linked to the Hub Cargo buildings (Fedex)

As part of the "extension 2" project, FedEx informed the Groupe ADP of its interest to develop a European Hub. This project resulted in the conclusion of contracts providing for:

- ◆ a construction lease for the realization by an investor of an additional sorting building;
- ◆ the extension of existing leases until 5 september 2048;
- ◆ the leasing of new areas for storing equipment.

In the event of termination of the leases by Fedex, contract terms provide compensation to Aéroports de Paris SA of the remaining rental due until the end of the contract.

In accordance with IAS 17 - Leases, the leasing of buildings is similar to a finance lease, given the transfer to Fedex of all the risks and benefits related to the construction. In addition:

- ◆ the term of the leases corresponds to the economic life of the leased assets;
- ◆ the discounted value of the minimum lease payments amounts to substantially all of the fair value of the leased asset.

Therefore, in the Group's consolidated financial statements, the contract appears as a credit sale and results in a pre-tax gain of €63 million for the period. This gain on disposal is disclosed under the line "Other operating income" and the corresponding receivable under "Financial assets".

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 or de facto.

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 (see 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.

Control, joint-control or significant influence analysis procedure

In order to determine if the Group has accounting control over an entity according to IFRS 10, the Group reviews all contractual elements, facts and circumstances, in particular:

- ◇ substantive rights allowing the Group to direct the relevant activities of the investee, therefore to determine the nature of decisions taken by the governing bodies of the entity (general meeting, board meeting) and the presence of the Group in these bodies;
- ◇ rights of veto of the minority interests and the rules in case of a disagreement;
- ◇ the Group exposure to variable returns from its involvement with the investee;
- ◇ the ability of the Group to affect these returns.

If the Group is not able to prove control, it determines if control is shared with one or more partners. Joint-control is proven if the Group and the partner(s), considered collectively, have control over the entity according to IFRS 10, and if the decisions related to relevant activities require unanimous consent. If the partnership is qualified as a joint-venture and confers rights on the investee's assets and obligations on its liabilities, the Group accounts for the share of assets and liabilities that it is entitled to.

Furthermore, if the Group is not able to prove control or joint-control, it determines if it has a significant influence on the investee. Significant influence being the power to participate to decisions linked to financial and operational policies, the Group reviews notably the following elements: representation of the Group within the board, participation to policy development process, or existence of significant transactions between the Group and the investee.

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 balance sheet, as goodwill (assets) 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 the acquired entity 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 Main changes in the scope of consolidation for 2017

Changes in the scope of consolidation for 2017 are the following:

- ◆ in March 2017, creation of the companies SCI Heka Le Bourget and Chenue Le Bourget held respectively for a stake of 40% by ADP Immobilier Industriel and Aéroports de Paris SA. SCI Heka Le Bourget is holder of the construction lease and investor in the building intended to be operated by the company Chenue Le Bourget. The latter holds a commercial lease with the SCI and is intended to perform the activity of providing services of storage of works of art. These two companies affiliated to the Real estate segment are consolidated under the equity method;
- ◆ in July 2017, disposal of the company TAV Construction and complementary acquisition of 8.12% stake in TAV Airports, which brings its stake to 46.12% (see note 2);
- ◆ in September 2017, disposal of 80% of Hub Safe, subsidiary of Aéroports de Paris SA (see note 2);
- ◆ in December 2017, complementary acquisition of 33% stake in BTA by TAV Airports, which brings its stake to 100%.

Several companies in the Group changed their name in 2017 as follows:

- ◆ Aéroports de Paris Management is renamed ADP International;
- ◆ Aéroports de Paris Investissement is renamed ADP Immobilier Industriel;
- ◆ Roissy Continental Square is renamed ADP Immobilier Tertiaire;

- ◆ Ville Aéroport Immobilier is renamed ADP Immobilier;
- ◆ ADPM 1 is renamed ADP Invest.

3.2.2 Reminder of the changes in the scope for 2016

In 2016, the significant changes in the scope of consolidation were:

- ◆ 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%;
- ◆ sale of the Group's equity interest in Mexican Airport Operator OMA;
- ◆ 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;
- ◆ 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%;
- ◆ merger by absorption of the company Tank Holding Öw by Aéroports de Paris SA;
- ◆ the company Ravinala Airports entered into the scope of consolidation of ADP International for a stake of 35%;
- ◆ TAV Construction shares have been reclassified under "Assets held for sale" at 31 December 2016.

NOTE 4 INFORMATION CONCERNING THE GROUP'S OPERATING ACTIVITIES

4.1 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 the 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 (see list in note 18) 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 design and operate airport activities and are managed together to create synergies and support the Group's ambition. It includes TAV Airports fully consolidated since 7 July 2017 (see note 2) which activities are described in note 6.1.1, the ADP Ingénierie subgroup, the ADP International subgroup and investment in Schiphol Group.

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 Etudes, whose purpose is to carry out directly or indirectly all the necessary studies to achieve the CDG Express project. In 2017, through the creation of ADP Invest and the acquisition of stakes in young innovative companies, this operating segment integrates the Group's innovation activities.

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.

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Revenue and net income of Groupe ADP break down as follows:

(in millions of euros)	Revenue				EBITDA	
	2017	of which inter-sector revenue	2016	of which inter-sector revenue	2017	2016
Aviation	1,813	1	1,743	(2)	551	488
Retail and services	953	146	941	151	533	527
Real estate	250	42	263	52	209	149
International and airport developments	682	16	97	14	252	2
Other activities	217	93	223	105	24	29
<i>Eliminations and internal results</i>	(298)	(298)	(320)	(320)	(2)	-
TOTAL	3,617	-	2,947	-	1,567	1,195

(in millions of euros)	Amortisation & Depreciation		Share of profit or loss in associates and joint ventures from operating activities		Operating income from ordinary activities	
	2017	2016	2017	2016	2017	2016
Aviation	(279)	(303)	-	-	272	186
Retail and services	(131)	(119)	3	1	404	409
Real estate	(46)	(43)	(2)	(2)	161	104
International and airport developments	(143)	-	77	(51)	186	(49)
Other activities	(16)	(14)	-	-	9	14
<i>Eliminations and internal results</i>	-	-	-	-	(2)	-
TOTAL	(615)	(479)	78	(52)	1,030	664



Revenue 2017

(298)

Intersegment eliminations

217

Other activities

682

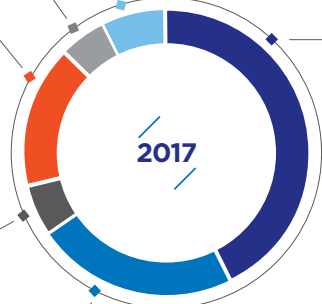
International
and airport
development

250

Real Estate

953

Retail and services



Revenue 2016

(320)

Intersegment eliminations

223

Other activities

97

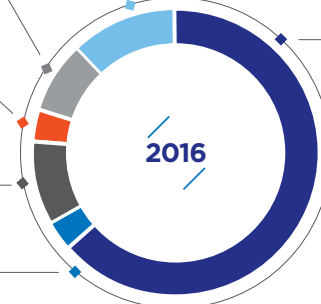
International
and airport
development

263

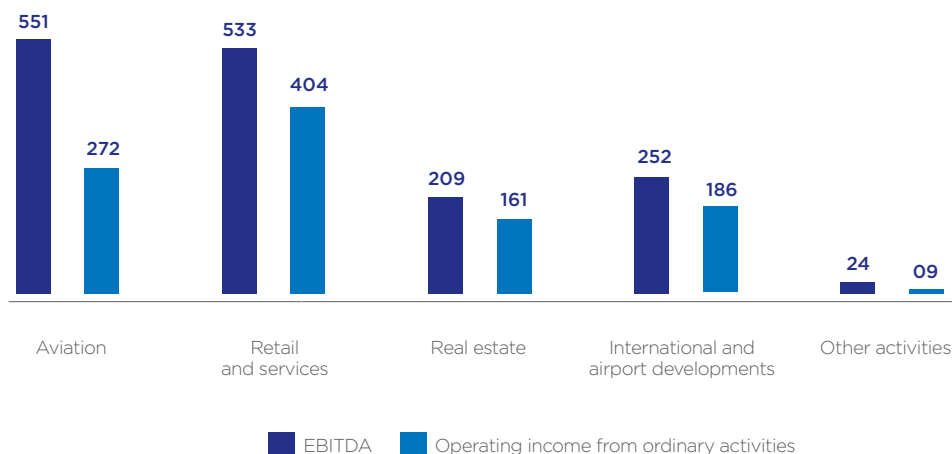
Real Estate

941

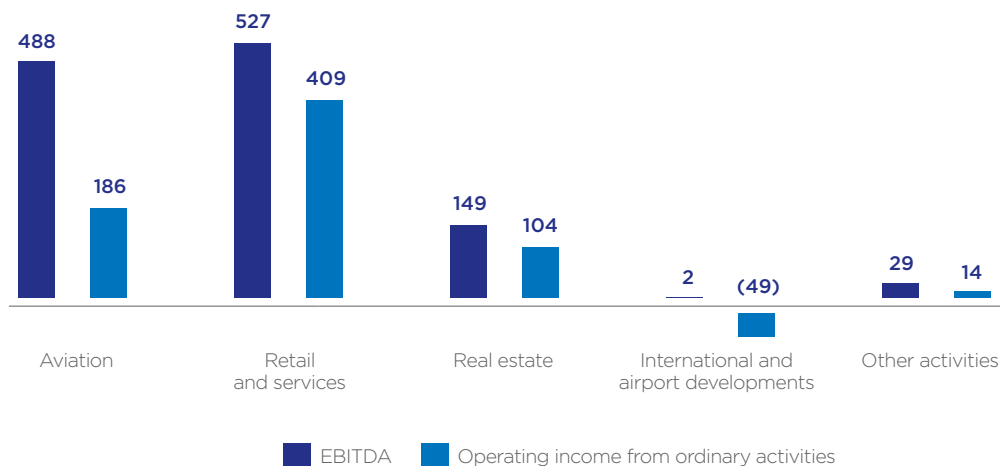
Retail and services



EBITDA and 2017 operating income from ordinary activities



EBITDA and 2016 operating income from ordinary activities



4.2 Revenue

The revenue of Groupe ADP according to its five operating sectors breaks down as follows:

1. Aviation sector

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. In the case where the investment plan would not be observed (see note 6.2), Aéroports de Paris SA will be impacted by a penalty. 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 Aéroport 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. They also include 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 recording 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. The Group proceeds to an analytical allocation of the costs in order to determine the part incurred in relation with its missions, considering that certain costs may not be exclusive to these missions, notably certain rental costs, certain amortisation and maintenance charges as well as taxes.

2. Retail and services sector

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.

Revenue from Retail and services sector also includes revenue of the subsidiary Média Aéroports de Paris, which offers advertisers an advertising exhibition at Paris airports via digital, connected and interactive solutions.

3. Real estate sector

Real estate revenue is comprised of rental income from real-estate shares related to airport activity (except for airport terminals) 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.

Revenue from Real estate sector also includes interest income from lease contract as lessor.

4. International and airport developments sector

Revenue from this sector combines revenue of **TAV Airports** (since 7 July 2017 – see note 2) and **ADP International** and **ADP Ingénierie** subgroups.

Revenue of **TAV Airports** breaks down as follows:

- ◆ **Construction revenue and expenditure:** Construction revenue is recognized using the percentage-of-completion method. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer. Where the outcome of a construction contract cannot be estimated reliably, revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately;
- ◆ **Service concession agreements:** Revenue relating to construction services under a service concession arrangement is recognized based on the stage of completion of the work performed. Operation or service revenue is recognized in the period in which the services are provided by TAV Airports. When TAV Airports provides more than one service in a service concession arrangement the consideration received is allocated by reference to the relative fair values of the services delivered;
- ◆ **Aviation income:** Aviation income is recognized based on the daily reports obtained from the related airline companies for terminal service income charged to passengers, as well as for ramps utilized by aircraft and check-in counters utilized by the airlines;



- ◆ **Area allocation income:** Area allocation income is recognized by the issuance of monthly invoices based on the contracts made for allocated areas in the terminal;
- ◆ **Catering services income:** Catering services income is recognized when services are provided;
- ◆ **Commission:** TAV Airport subcontracts the right to operate certain duty free operations and the catering services to third parties. The third parties pay TAV Airports a specified percentage of their sales for the right to operate these concessions. The commission revenue is recognized based on the sales reports provided from the subcontractor entities in every 2 to 3 days;
- ◆ **Other revenue of TAV Airports** (ground handling services, bus and car parking operations, airline taxi services, software and system sales) are recognized when services are provided or goods are delivered.

The revenue of TAV Airports also includes the actuarial gains related to the financial asset of TAV Esenboga (Ankara) recognised pursuant to IFRIC Interpretation 12 (see note 6.1.1).

- ◆ **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.

- ◆ **ADP International's** revenues are mainly related to its international airport management activity and directors' fees related to investments in airport companies.

5. Other activities sector

Revenue from this sector comprises mostly revenue generated by the subgroups Hub Safe (until end of September 2017 – see note 2) and Hub One described below:

- ◆ **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.

The breakdown of the Group's revenue per operating sector after eliminations is as follows:

	2017				
	Aviation	Retail and services	Real estate	International and airport developments	Other activities
<i>(in millions of euros)</i>					
Airport fees	1,055	-	-	203	-
Ancillary fees	230	7	-	4	-
Revenue from airport safety and security services	487	-	-	-	-
Retail activities	-	459	2	225	-
Car parks and access roads	-	171	-	15	-
Industrial services revenue	-	40	-	3	-
Rental income	14	107	197	22	-
Other revenue	26	23	-	190	124
Operating financial revenue	-	-	9	4	-
TOTAL	1,812	807	208	666	124

	2016				
	Aviation	Retail and services	Real estate	International and airport developments	Other activities
<i>(in millions of euros)</i>					
Airport fees	1,003	-	-	-	-
Ancillary fees	220	6	-	-	-
Revenue from airport safety and security services	480	-	-	-	-
Retail activities	-	449	2	-	-
Car parks and access roads	-	174	-	-	-
Industrial services revenue	-	40	-	-	-
Rental income	14	106	205	-	-
Other revenue	28	15	1	83	118
Operating financial revenue	-	-	3	-	-
TOTAL	1,745	790	211	83	118

Over 2017, consolidated revenue of the Group stands at €3,617 million, up by €670 million mainly thanks to:

- ◆ the full consolidation of TAV Airports for the 2nd semester, that contributes to revenue up to €616 million. Excluding full consolidation of TAV Airports, Groupe ADP revenue would have grown by 1.8%, to €3,001 million;
- ◆ the growth in airport fees (+5.2%, at €1,055 million), driven by passenger traffic dynamics (+4.5% in Paris Aéroport) combined with the increase in tariffs since 1 April 2017 (+0.97%);
- ◆ the strong increase in revenue from ancillary fees (+4.6%, at €230 million), in particular from the fee related to the provision of de-icing facilities, up by 29.1%, at €24 million and PRM fees, up by 9.5%, at €60 million.

This favorable items are partially offset by:

- ◆ the decrease of revenue in international activities, excluding TAV Airports full consolidation (-32.0%, at €66 million) linked to a slowdown in activity and a decrease in backlog in the Middle-East for ADP Ingénierie as well as a revaluation of ADP International's backlog;
- ◆ and the change in consolidation method of Hub Safe over the 4th quarter, following the disposal of 80% of the stake in the entity. For the 4th quarter of 2017, Hub Safe's results will be accounted for as share of profit of non-operating associates.

Over 2017, intersegment eliminations amounted to €298 million.

The breakdown of the Group's revenue per major client is as follows:

<i>(in millions of euros)</i>	2017	2016
Revenue	3,617	2,947
Air France	756	736
Easy Jet	68	63
Turkish Airlines	153	14
Other airlines	831	625
TOTAL AIRLINES	1,808	1,438
Direction Générale de l'Aviation Civile	504	497
Société de Distribution Aéroportuaire	273	273
ATU	144	-
Other customers	888	739
TOTAL OTHER CUSTOMERS	1,809	1,509

4.3 Other current operating income

Other current operating income mainly includes 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 current operating income is as follows:

<i>(in millions of euros)</i>	2017	2016
Investment grants recognized in the income statement	2	2
Net gains on disposals	64	1
Other income	26	26
TOTAL	92	29

Other current operating income consists mainly of:

- ◆ the profit linked to the disposal of Hub Cargo buildings for €63 million (see note 2);
- ◆ indemnities recognized for €15 million both under the indemnification agreement with the Société du Grand Paris relating to the project to build a metro station in Paris-Orly and under the CDG Express project.

¹ Groupe ADP traffic: +7.4% to 228 million passengers
Paris Aéroport traffic: +4.5% to 101.5 million passengers



4.4 Trade receivables and related accounts

Trade receivables and related accounts break down as follows:

<i>(in millions of euros)</i>	As at 31 Dec. 2017	As at 31 Dec. 2016
Trade receivables	637	564
Guaranteed passenger fee receivable < 1 year ¹	20	-
Doubtful receivables	54	41
Accumulated impairment	(70)	(57)
NET AMOUNT	641	548

¹ see note 6.11.

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

Impairment evolved as follows:

estimates that no additional depreciation or loss in value needs to be posted for receivables due or non-depreciated.

<i>(in millions of euros)</i>	As at 31 Dec. 2017	As at 31 Dec. 2016
Accumulated impairment at beginning of period	(57)	(76)
Increases	(15)	(7)
Decreases	11	26
Translation adjustments	7	-
Change in consolidation scope	(15)	-
Other changes	(1)	-
Accumulated impairment at closing of period	(70)	(57)

4.5 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. With regards to 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.

4.5.1 Raw materials and consumables used

Raw materials and consumables used are detailed as follows:

<i>(in millions of euros)</i>	2017	2016
Cost of goods	(54)	(31)
Electricity	(29)	(25)
Studies, research and remuneration of intermediaries	(19)	(16)
Gas and other fuels	(12)	(8)
Operational supplies	(12)	(12)
Winter products	(8)	(4)
Operating equipment and works	(8)	(2)
Other purchases	(23)	(15)
TOTAL	(165)	(113)

4.5.2 Other current operating expenses

// SUMMARY STATEMENT

<i>(in millions of euros)</i>	2017	2016
External services	(865)	(707)
Taxes other than income taxes	(260)	(262)
Other operating expenses	(39)	(27)
TOTAL	(1,164)	(996)

// BREAKDOWN OF OTHER EXTERNAL SERVICES AND CHARGES

<i>(in millions of euros)</i>	2017	2016
Sub-contracting	(445)	(408)
♦ Security	(177)	(154)
♦ Cleaning	(81)	(73)
♦ Persons with restricted mobility	(55)	(54)
♦ Transport	(34)	(29)
♦ Recycling trolleys	(13)	(13)
♦ Caretaking	(14)	(11)
♦ Other	(71)	(74)
Maintenance and repairs	(148)	(135)
Concession rent expenses ¹	(85)	-
Studies, research and remunerations of intermediaries	(50)	(49)
Insurance	(18)	(15)
Travel and entertainment	(16)	(12)
Advertising, publications, public relations	(29)	(31)
Rental and leasing expenses	(28)	(13)
Other external services	(13)	(9)
External personnel	(7)	(12)
Other external expenses & services	(26)	(23)
TOTAL	(865)	(707)

¹ Concession rent expenses are incurred by TAV Airports for the operation of Atatürk airport in Istanbul, Monastir and Enfidha in Tunisia and Skopje and Ohrid in Macedonia (see note 6.1.1).

// BREAKDOWN OF TAXES OTHER THAN INCOME TAXES

<i>(in millions of euros)</i>	2017	2016
Territorial financial contribution	(53)	(66)
Property tax	(95)	(92)
Other taxes other than income taxes	(50)	(52)
Non-refundable taxes on safety expenditure	(62)	(52)
TOTAL	(260)	(262)

Over the period, the "Territorial financial contribution" tax account was impacted by a proceeds of €6.5 million following a favourable decision of the Administrative Court relating to a dispute relating to the "Taxe professionnelle" for the financial years 2008 and 2009.



// 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.

4.6 Trade payables and related accounts

Trade payables and related accounts are detailed below:

<i>(in millions of euros)</i>	As at 31 Dec. 2017	As at 31 Dec. 2016
Operating payables	199	206
Accounts payable	223	266
TOTAL	422	472

4.7 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. 2017	As at 31 Dec. 2016
Prepaid concession expenses < 1 year	72	-
Advances and deposit paid on orders	4	17
Tax receivables	79	72
Receivables related to employees and social charges	4	2
Prepaid expenses	33	13
Other receivables	51	12
TOTAL	243	116

Prepaid concession expenses only relate to Atatürk airport, operated by TAV Istanbul. The total expenses linked to the lease contract of TAV Istanbul amounts to \$2.543 million plus VAT over the concession agreement period. TAV Istanbul paid in advance 23% of the total amount plus VAT as required by the rent agreement. A payment of 5.5% if the

total rent amount is made within the five workdays of each rental year following the first rental year. Furthermore, TAV Istanbul also paid in advance development expenses related to the installation of EDS Security Systems (explosives screening system) in the terminals.

4.8 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. 2017	As at 31 Dec. 2016
Advances and deposits received on orders	13	4
Employee-related liabilities	249	241
Tax liabilities (excl. current income tax)	47	47
Credit notes	22	19
Other debts	114	36
Deferred income	130	109
Concession rent payable < 1 year	117	-
Debt related to the minority put option	32	-
TOTAL	724	456

Deferred income are mainly related to Aéroports de Paris SA and consist mainly in:

♦ fixed rent revenue, i.e. €81 million as of 31 December 2017 (€78 million as of 31 December 2016);

♦ car park: subscription and reservation, i.e. €13 million as of 31 December 2017 (€12 million as of 31 December 2016);

♦ the rent to Air France of terminal T2G, i.e. €3 million as of 31 December 2017 (€3 million as of 31 December 2016).

The concession rent payables relate to TAV Airport for TAV Tunisia, TAV Macedonia, TAV Milas Bodrum and TAV Ege:

- ◇ TAV Tunisia: the concession fee is based on the annual revenue of Monastir and Enfidha airports on which a rate between 11% and 26% is applied;
- ◇ TAV Macedonia: the concession fee of TAV Macedonia is 15% of the gross annual turnover until the number of passengers using the two airports (Skopje and Ohrid) reaches to 1 million, and when the number

of passengers exceeds 1 million, this percentage shall change between 4% and 2% depending on the number of passengers;

- ◇ TAV Milas Bodrum and TAV Ege for the operation of international and domestic terminals of Milas Bodrum and Izmir Adnan Menderes airports (see note 8.2).

The debt related to the minority put option relates to TAV Airports for the minority interests in TAV Tunisia (see note 9.4.1).

4.9 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.

Investments in companies over which the Group exercises significant influence or joint control are described below:

International and airport developments

TAV Airports: Before the takeover on 7 July 2017, the company was consolidated under the equity method. Following the takeover of the company at this date (see note 2), it is henceforth fully consolidated.

The companies consolidated under the equity method in TAV Airports are mainly joint-ventures: TGS a ground-handling service company which is 50%-owned, ATU a company specialized in duty free and 50%-owned, Tibah Development and Tibah Operation which are 33%-owned and 51%-owned respectively and operating the Medine airport in Saudi Arabia and BTA Denizyollari which is 33.33%-owned.

NV Luchthaven Schiphol ("Schiphol Group"), which operates Amsterdam Airport Schiphol, created with Aéroports de Paris SA a long-term industrial cooperation and capital 8% cross-equity investment agreement at the end of 2008 that 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.

Sociedad Concesionaria Nuevo Pudahuel: joint-venture 45%-owned by ADP International, 40%-owned by Vinci Airports and 15%-owned by Astaldi, operating the concession of Santiago International Airport for a period of 20 years and with the objective to ensure the financing, design and construction of a new 175,000-square meter terminal.

The Group reviewed its control analysis and considers that it has significant influence on the following entities, considering its participation to the board of these entities since their creation:

- ◇ Airport International Group ("AIG"), 9.5%-owned;
- ◇ Société de gestion et d'exploitation de l'aéroport de Conakry ("Sogecac"), 28.98%-owned;

- ◇ Airport Terminal Operations LTD ("ATOL"), 10%-owned.

Interests in these entities were disclosed as non-consolidated interests until 31 December 2016 considering their non-materiality. The reclassification led to account for an income of €7 million in 2017.

Retail and services

Groupe ADP exercises a joint control on the following companies:

Société de Distribution Aéroportuaire: entity which capital and voting rights are 50%-owned, specialized in the sale of alcohol, tobacco, perfumes-cosmetics, food, fashion and accessories and photo-video-sound systems. The company conducts direct management and commercial lease activities.

Relay@ADP: joint-venture which is 50%-owned dedicated to retail of press, books, commodities and souvenirs.

EPIGO: company which is 50%-owned dedicated to arranging, operating and developing fast food points of sale in the terminals.

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.

Real estate

The main companies consolidated under equity method in the Real estate sector are the following:

Cœur d'Orly Commerces and Cœur d'Orly Bureaux: Aéroports de Paris is a 50%-co-investor of the Cœur d'Orly project for retail outlets and offices, along with Altarea/Foncière des Régions.

Transport Beheer and Transport CV: companies which are 40%-owned along with Schiphol Group, with the objective to own an office building.

SCI Heka Le Bourget: company which is 40%-owned, holder of the construction lease and investor in the building intended to be operated by the company Chenue Le Bourget.

4.9.1 Profit and loss of associates and joint ventures

The amounts included in the income statement are broken down by sector as follows:

(in millions of euros)	2017	2016
International and airport developments¹	77	(51)
Retail and services	3	1
Real estate	(2)	(2)
Other activities	-	-
SHARE OF PROFIT OR LOSS IN ASSOCIATES AND JOINT VENTURES FROM OPERATING ACTIVITIES	78	(52)

¹ This amount includes the profit realised on the disposal of 38% of shares of TAV Airports (see note 6.1.1) and the share of profit and loss of TAV Airports for the first semester 2017.



4.9.2 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.

In 2017, the Group recognized a provision for depreciation of international investment of €46 million (in 2016, another provision for depreciation of international investment was recognized for €45 million).

4.9.3 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>	As at 31 Dec. 2017	As at 31 Dec. 2016
International and airport developments	654	1,071
Retail and services	10	10
Real estate	10	9
Other activities	1	-
TOTAL ACTIVITIES FROM OPERATING ASSOCIATES	675	1,090
TOTAL ACTIVITIES FROM NON-OPERATING ASSOCIATES	11	11
TOTAL INVESTMENT IN ASSOCIATES	686	1,101

The definitive goodwill included within the shares consolidated under the equity method above amounts to:

- ◇ €120 million for Schiphol;
- ◇ €3 million for Hub Safe.

4.9.4 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, 2017	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 paid¹	Net amount as at 31 Dec. 2017
International and airport developments	1,071	77	(489)	4	(6)	33	(36)	654
Retail and services	10	3	-	-	-	-	(3)	10
Real estate	9	(2)	-	-	-	(12)	15	10
Other activities	-	-	1	-	-	-	-	1
TOTAL ACTIVITIES FROM OPERATING ASSOCIATES	1,090	78	(488)	4	(6)	21	(24)	675
TOTAL ACTIVITIES FROM NON-OPERATING ASSOCIATES	11	-	8	-	-	(6)	(2)	11
TOTAL INVESTMENT IN ASSOCIATES	1,101	78	(480)	4	(6)	15	(26)	686

¹ Including the results of tax-transparent real estate companies.

The accounting aggregates of Schiphol have been drawn up in compliance with IFRS.

<i>(in millions of euros)</i>	Schiphol Group	
	As at 31 Dec. 2017	As at 31 Dec. 2016
Tangible, Intangible assets and Investment property	4,888	4,606
Investments in associates	922	895
Other non-current financial assets	123	152
Deferred tax assets	143	165
Non-current assets	6,076	5,818
Trade receivables	403	224
Other receivables and prepaid expenses	16	6
Cash and cash equivalents	170	239
Current assets	589	469
Assets held for sales	-	139
TOTAL ASSETS	6,665	6,426

<i>(in millions of euros)</i>	Schiphol Group	
	As at 31 Dec. 2017	As at 31 Dec. 2016
Non-controlling interests	42	36
SHAREHOLDERS' EQUITY	3,990	3,860
Non-current debt	2,078	2,011
Other non-current liabilities	228	219
Non-current liabilities	2,306	2,230
Other current liabilities	334	324
Current debt	35	5
Current liabilities	369	329
Liabilities related to assets held for sales	-	7
TOTAL EQUITY AND LIABILITIES	6,665	6,426

<i>(in millions of euros)</i>	Schiphol Group	
	2017	2016
Revenue	1,456	1,435
Operating income	376	420
Financial income	(86)	(91)
Share of profit or loss in associates and joint ventures from non-operating activities	69	67
Income before tax	360	397
Income tax expense	(64)	(86)
Net income	296	311
Net income attributable to the Group	290	306
Net income attributable to non-controlling interests	6	5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	279	332



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>	2017	2016
Salaries and wages	(581)	(486)
Social security expenses	(261)	(234)
Salary cost capitalised	69	66
Employees' profit sharing and incentive plans	(36)	(37)
Net allowances to provisions for employee benefit obligations	(5)	(7)
TOTAL	(814)	(698)

Capitalised production which amounts to €7 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 (€7 million in 2016). It is recognized as a reduction of staff expenses in "Salaries and wages".

The average number of employees can be broken down as follows:

	2017	2016
Average number of employees	17,422	8,947
Aéroports de Paris SA	6,435	6,478
TAV Airports ¹	8,418	-
Hub Safe Group ²	1,603	1,498
Hub One Group	456	448
ADP Ingénierie Group	392	412
Média Aéroports de Paris	59	60
ADP International Group	59	51

¹ Average number of employees since the takeover of TAV Airports (see note 2). If the transaction had taken place on 1 January, the average annual workforce would have been 16,836.

² Average number of employees over 9 months following the sale of Hub Safe at the end of September (see note 2).

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.

For TAV Airports, which end-of-career indemnities account for 4% of the Group's commitments, the computation of the fixed compensation for employees of entities operating in Turkey is performed in accordance with the existing labour law in Turkey. These indemnities are paid to employees who have completed one year of service and whose employment is terminated without cause or who retire, are called up for military service or die. Such payments are calculated on the basis of 30 days' pay maximum (TRL 4,732 as at 31 December 2017 (equivalent to €1,048) vs. TRL 4,297 as at 31 December 2016 (equivalent to €1,158)) per year of employment at the rate of pay applicable at the date of retirement or termination.

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 in particular the management of annuity payments. Then, Aéroports de Paris SA is compliant with the

law n° 2015-839 dated 9 July 2015 on minimum requirements for securing current annuities applicable to pension plans falling under article L. 137-11 of the French Social Security Code.

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 the 1 January 2013) for the other schemes. The main risk on these existing L. 137-11 plans at Aéroports de Paris SA would be the application of the Directive 2014/50/EU of European Parliament of 16 April 2014 on minimum requirements for enhancing worker mobility between Member States by improving the acquisition and preservation of supplementary pension rights: each member state shall adopt the laws, regulations and administrative provisions necessary to comply with this Directive by 21 May 2018; it will therefore lead to a significant 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 31/12/2017	Total as at 31/12/2016
	Retirement Plan	Health cover	Additional retirement benefits	PARDA	Long-service medals		
Present value of obligation at opening	322	67	70	10	1	470	444
Changes in scope of consolidation	18	-	-	-	-	18	-
Other changes	(2)	-	-	-	-	(2)	-
Service costs for the period	20	-	3	2	-	25	21
Interest costs	6	1	1	-	-	8	9
Actuarial gain/(loss) in the period ¹	(2)	(16)	4	(2)	1	(15)	12
Benefits paid	(14)	(3)	(4)	-	-	(21)	(16)
Reduction/curtailment	(15)	-	-	-	-	(15)	-
Present value of obligation at closing	333	49	74	10	2	468	470
Fair value of plan assets at beginning of period	-	-	(1)	-	-	(1)	(2)
Contributions paid	-	-	(3)	-	-	(3)	(3)
Benefits paid	-	-	4	-	-	4	4
Fair value of plan assets	-	-	-	-	-	-	(1)
Commitments unfunded at end of period	333	49	74	10	2	468	469
Liabilities recognized in the balance sheet at end of period	333	49	74	10	2	468	469
Interest costs	6	1	1	-	-	8	9
Service cost for the period	20	-	3	2	-	25	21
Reduction/curtailment	(15)	-	-	-	-	(15)	-
Expense for the period	11	1	4	2	-	18	30
Liabilities recognized in the balance sheet at beginning of period	322	67	69	10	1	469	442
Expense for the period	11	1	4	2	-	18	30
Impact of other comprehensive income	(2)	(16)	4	(2)	1	(15)	12
Changes in scope of consolidation	18	-	-	-	-	18	-
Other changes	(2)	-	-	-	-	(2)	-
Benefits and contributions paid directly	(14)	(3)	(3)	-	-	(20)	(15)
Liabilities recognized in the balance sheet at end of period	333	49	74	10	2	468	469

¹ The total actuarial gains generated during 2017 on the pension obligation for €21 million is due to the gains for the changes of financial assumptions (-€13 million, mainly due to the decrease of medical trend rate) and the experience gains (-€15 million), offset partially by the losses due to the changes of demographic assumptions (+€7 million).
The divestiture of HubSafe occurred end of September 2017 has generated a decrease of liability by €5 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
As at 1 Jan. 2016	444	(2)	442
Service costs for the period	21	-	21
Interest costs	9	-	9
Actuarial gain/(loss) in the period	12	-	12
Cash flows:			
♦ Payments to beneficiaries	(16)	-	(16)
♦ Contributions paid	-	(3)	(3)
♦ Payments received from third parties	-	4	4
As at 31 Dec. 2016	470	(1)	469
Change in consolidation scope	18	-	18
Other changes	(2)	-	(2)
Service costs for the period	25	-	25
Interest costs	8	-	8
Actuarial gain/(loss) in the period	(15)	-	(15)
Reduction/curtailment	(15)	-	(15)
Cash flows:			
♦ Payments to beneficiaries	(21)	-	(21)
♦ Contributions paid	-	(3)	(3)
♦ Payments received from third parties	-	4	4
AS AT 31 DEC. 2017	468	-	468

5.2.3 Assumptions and sensitivity analysis

The main assumptions used are as follows:

<i>As at 31 Dec. 2017</i>	France	Turkey
Discount rate/Expected rate of return on plan assets	1.50%	4.19%
Inflation rate	1.75%	6%
Salary escalation rate (inflation included)	1.75%-3.55%	6%
Future increase in health care expenses	2.50%	8.19%
Average retirement age	62-65 years	51-52 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 INSEE prospective 2007-2060 on the service period of beneficiaries; and
- ♦ generational tables of men/women TGH05-TGF-05 on the annuity phase.

The table below shows the sensitivity of the commitment to the main actuarial assumptions:

<i>(in millions of euros)</i>	Low assumption	Impact on present value of obligation at 31/12/2017	High assumption	Impact on present value of obligation at 31/12/2017
Drift in medical costs	-1.00%	(5)	1.00%	5
Discount rate/Expected rate of return on plan assets	-0.50%	32	0.50%	(29)
Mortality rate	-1 year	4	+1 year	(4)
Salary escalation rate (inflation included)	-0.50%	(19)	0.50%	20

Based on the employee benefit commitments for end-of-career indemnities as at 31 December 2017, a decrease of 100 Bp of the employer contribution rate would have an equity impact of €2.3 million.



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>	2017	2016
Provisions as at 1 January	469	442
Increases	56	42
◊ Operating allowances	25	21
◊ Financial allowances	8	9
◊ Recognition of actuarial net gains	-	12
Increase due to changes in consolidation scope	23	-
Decreases	(57)	(15)
◊ Provisions used	(20)	(15)
◊ Recognition of actuarial net gains	(15)	-
◊ Reduction/curtailment	(15)	-
Decrease due to changes in consolidation scope	(5)	-
Other changes	(2)	-
Provisions at 31 December	468	469
Non-current portion	458	452
Current portion	10	17

5.3.1 Best estimate of the contributions to be paid

The amount of contributions that the Group believes will need to be paid for the defined benefits plans on the assets side in 2017 is not significant.

NOTE 6 INTANGIBLE ASSETS, TANGIBLE ASSETS AND INVESTMENT PROPERTY

6.1 Intangible assets and property, plant and equipment

Intangible assets include:

- ◊ airports operation rights (see note 6.1.1);
- ◊ goodwill generated by business combinations in accordance with the principles outlined in note 3;
- ◊ patents and licenses;
- ◊ contractual relationships;
- ◊ 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 loss 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.

Other intangible assets are mainly composed of the intangible asset related to Istanbul Atatürk concession (see paragraph below) and contractual relationships recognised as part of the identification and evaluation of the identifiable assets and liabilities of TAV Airports.

Software	4 to 10 years
Patent and licenses	4 to 10 years
User right	15 years
Airport operation right ¹	Concession agreement period

¹ See note 6.1.1.

Intangible assets are depreciated using the straight-line method according to their estimated useful life and estimated traffic:

Istanbul Atatürk operations contract: Considering that TAV Istanbul has control over a significant portion of revenue and prices, the Group considers that the concession agreement related to Istanbul Atatürk, which terminates in 2021, does not fall under the scope of IFRIC Interpretation 12. The Group recognised an intangible asset resulting from the right to receive a remuneration from the users

of Istanbul Atatürk airport. This right to receive a remuneration was valued at fair value at initial recognition. In addition, costs related to the contract include rental costs payable for the operation of the concession and the expenses incurred to reinforce and improve Atatürk domestic terminal infrastructures. TAV Istanbul paid certain rental charges in advance, which amounts, recognised as assets (see note 4.3), are accounted for over the period covered by the prepaid concession rent charges. Expenses incurred by TAV Istanbul for the improvement of domestic terminal infrastructures are recognised as assets (see note 6.2) and amortised over the contract period.

Intangible assets are detailed as follows:

<i>(in millions of euros)</i>	Goodwill	Airport operation right*	Software	Other	Fixed assets in progress, related advances & prepayments	Total
Gross value	25	-	264	4	23	316
Accumulated amortisation & depreciation	(7)	-	(197)	(2)	-	(206)
Carrying amount as at 1 January, 2017	18	-	67	2	23	110
Purchases	-	2	2	-	27	31
Change in advances and prepayments	-	-	28	-	(21)	7
Depreciation and Amortisation	-	(46)	(24)	(72)	-	(142)
Changes in consolidation scope	113	2,031	6	659	-	2,809
Translation adjustments	-	(7)	-	-	-	(7)
Carrying amount as at 31 December, 2017	131	1,980	79	589	29	2,808
Gross value	138	2,021	315	690	29	3,193
Accumulated amortisation & depreciation	(7)	(41)	(236)	(102)	-	(386)

* See note 6.1.1

As of 31 December 2017, the goodwill relates mainly to:

- ◆ TAV Airports for €113 million;
- ◆ ADP Immobilier Tertiaire 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.

As at 31 December 2017, there is no indicator of impairment loss on the intangible asset related to the operation contract of Istanbul Atatürk airport. In addition, the construction project for the third airport in Istanbul should not, based on our knowledge, have a significant impact on the future revenue of the entity linked to the concession of Istanbul Atatürk airport, considering that TAV Airports and its subsidiary TAV Istanbul (wholly-owned) have been officially informed by the DHMI that TAV Istanbul will be compensated for the shortfall that it may undergo between the date of the opening of the new airport and the date of the end of the current lease contract. The practical terms to determine this compensation will be subject to negotiations with the DHMI that should start in 2018.



6.1.1 Airport operation rights

Under the terms of IFRIC 12 Service Concession Arrangements, a concession operator has a twofold activity:

- ◊ a construction activity in respect of its obligations to design, build and finance a new asset that it delivers to the grantor: revenue is recognized in accordance with IAS 11;
- ◊ an operating and maintenance activity in respect of concession assets: revenue is recognized in accordance with IAS 18.

In return for its activities, the operator receives remuneration either from:

The users – intangible asset model: The Group recognizes an intangible asset arising from a service concession agreement when it receives a right (a license) to charge the public service users. In this model, the right to receive a remuneration is recognised as an intangible asset and is accounted at fair value at initial recognition. This right corresponds to the fair value of the concession sold. Subsequent to initial recognition the intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses.

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period. Amortisation of airport operation right is calculated based on units of production method over passenger figures for all airports except Monastir and Enfidha Airport for which the amortisation is calculated on a straight-line basis over the concession period, as traffic forecasts could not be estimated reliably.

The grantor – financial asset model: The Group holds an unconditional contractual right to receive payments from the grantor, independently of the user attendance of the airport. In this model, the activity of the concessionaire lead to the recognition of a financial asset giving right to interests. In balance sheet, these financial assets are classified under “Other financial assets” and are initially recognised at fair value. Subsequently, the financial assets are accounted for at amortised costs and recovered according to the lease payments received from the grantor. The income computed based on the effective interest rate is accounted for as operating revenue.

The Group applies the financial asset model to the concession agreement signed between TAV Esenboga and the DHMI which terminates in May 2023. The financial asset was initially recognized at fair value. As at 31 December 2017, the current part of this financial asset amounts to €21 million (see note 4.4) and the non-current part amounts to €97 million (see note 9.6).

Movements in airport operating rights are as follows:

(in millions of euros)	Izmir Adnan Menderes International Airport	Tbilisi and Batumi International Airport	Monastir and Enfidha International Airport	Skopje and Ohrid International Airport	Milas- Bodrum Airport	Other	Total
End of contract date	December 2032	February 2027 and August 2027	May 2047	March 2030	December 2035		
Carrying amount at acquisition date	619	381	418	105	444	64	2,031
Change	-	2	-	-	-	-	2
Depreciation and Amortisation	(11)	(15)	(7)	(4)	(6)	(3)	(46)
Translation adjustments	-	(7)	-	-	-	-	(7)
Carrying amount as at 31 Dec. 2017	608	361	411	101	438	61	1,980
Gross value	619	371	418	105	444	64	2,021
Accumulated amortisation & depreciation	(11)	(10)	(7)	(4)	(6)	(3)	(41)

The main features of concession agreements entered into by TAV Airports' subsidiaries are as follows:

- ◊ the fee schedule is defined in the concession agreements and price increases are subject to agreement by the grantor;
- ◊ the remuneration is paid by users and airlines;
- ◊ no grant or guarantee is given by the concession grantor;
- ◊ infrastructures are returned to the grantor with no consideration at the end of the contract.

BOT (Build – Operate – Terminate) and BTO (Build – Transfer – Operate) operations and management contracts include the following activities:

- ◊ **Terminal and airport services**, which includes passenger, ramp and check-in counter services and services for parking-apron-taxi ways (for airport operations). A fee is charged to each airline based on the number of passengers that utilise the airport, based on the number of aircrafts that utilise ramps and runways and based on the number of check-in counters utilised by the airlines;

- ◆ **Duty free goods** – TAV Airports has the right to manage duty free operations within the terminals which the Group entities operate. Duty free shopping is available to both arriving and departing passengers. The duty free shops are subcontracted either to Group's joint ventures or to other companies in exchange for a commission based on sales;
- ◆ **Catering and airport hotel services** – TAV Airports has the right to manage all food and beverage operations within the terminals both for the passengers and the terminal personnel. The Group subcontracts certain food and beverage operations in exchange for a commission based on sales;
- ◆ **Area allocation services** – As a lessor, TAV Airports leases office space in the airport terminal including the offices leased to the airlines for ticket office and banks;
- ◆ **Ground handling** – TAV Airports has the right to provide all ground handling operations for domestic and international flights under the Civil Aviation Legislation License (traffic, ramp, flight operation, cargo, etc.).

Other activities operated by TAV Airports under concession agreements include security services within the domestic terminals, bus and car parking services, software and system services, lounge services, airline taxi services.

Impairment test

Following the identification of indicator of impairment losses (see note 6.4) on the airport operation rights for Milas-Bodrum and Monastir and Enfidha International, notably due to a decrease in traffic, impairment tests were carried out as at 31 December 2017.

◆ Milas Bodrum Airport

- ◆ **Presentation of key hypotheses of impairment test**
The value in use of the airport operation rights of Milas-Bodrum airport was determined based on the business plan, prepared by

TAV Milas Bodrum management, over the residual value of the concession (December 2025). The growth forecast by the business plan is driven by the growth in traffic and the growth in revenue per passenger. Discount rates applied to cash flows correspond to the cost of capital (WACC) of the entity and amount to 9.0% over the projection period.

◆ Results of impairment test

Based on this test, no impairment loss was recognised.

◆ Sensitivity analysis

An increase of +1% in the risk free rate would result in an impairment loss of €7 million.

◆ Monastir and Enfidha International Airport

◆ Presentation of key hypotheses of impairment test

The value in use of the airport operation rights of Monastir and Enfidha International was determined based on the business plan, prepared by TAV Tunisia management, over the residual value of the concession (May 2047) and on the basis of a hypothesis of restructured in second half of 2019 which is the end of moratorium period. Discount rates applied to cash flows correspond to the cost of capital (WACC) of the entity and amount to 9.6% over the projection period.

◆ Results of impairment test

Based on traffic forecasts and the business plan, the recoverable value is greater than the carrying amount and no impairment loss was recognised as at 31 December 2017.

◆ Sensitivity analysis

A decrease of -5% in the traffic and an increase of +1% would result in an impairment loss of €11 million.



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 according to IAS 23.

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.

As part of the CRE 2016-2020 signed with the French State, the Group pursues an investment program on the regulated scope (see note 4.2.1 which defines the term "regulated scope"), which must comply with the effective implementation of an investment allowance of €2,978 million over the period as well as an investment calendar constraint.

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

As a reminder, 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 had 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, in order to reflect the foreseen usage period.

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	69	10,340	268	370	742	11,789
Accumulated amortisation & depreciation	(16)	(5,085)	(185)	(232)	-	(5,518)
Carrying amount as at 1 Jan. 2017	53	5,255	83	138	742	6,271
Purchases	-	-	16	3	807	826
Disposals and write-offs	-	-	(2)	-	(1)	(3)
Depreciation and Amortisation	(1)	(389)	(24)	(39)	-	(453)
Changes in consolidation scope	-	-	89	116	4	209
Translation adjustments	-	-	(3)	-	(1)	(4)
Transfers to and from other headings	-	493	21	24	(591)	(53)
Carrying amount as at 31 December 2017	52	5,359	180	242	960	6,793
Gross value	69	10,825	482	575	960	12,911
Accumulated amortisation & depreciation	(17)	(5,466)	(302)	(333)	-	(6,118)

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:

- ◆ Groupe ADP new headquarters office at Paris-Charles de Gaulle;
- ◆ the acquisition of the northern part of the office building "le Dôme" at Roissy-Charles de Gaulle;
- ◆ two last aircraft parking areas connected to the extension of the East pier of the South terminal at Paris-Orly;
- ◆ the new "Pavillon d'Honneur" building at Paris-Orly;
- ◆ the completion of the renovation of the airstrip 4 at Paris-Orly;
- ◆ the bridge between the Cœur d'Orly business area and the South terminal;
- ◆ standard 3 hold luggage inspection equipments related to European standards on both platforms;
- ◆ additional boarding gates in Hall A of Paris-Orly South terminal;
- ◆ developments in Cœur d'Orly area;
- ◆ the third phase of the Avenir area site preparation in Paris-Orly;
- ◆ improvement of sanitary facilities to comply with standards, in both platforms;
- ◆ a rainwater pipe as part of the construction works related to the upgrade to the standards of polluted water management and treatment systems;
- ◆ the borrowing costs capitalised at 31 December 2017 pursuant to IAS 23 revised amounted to €10 million, based on an average capitalization rate of 2.83%.



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 in paragraph 6.3.2, is based on a value appraised by independent real estate appraisal firms for almost 99% 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 98% 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 almost 97% of the land. The value 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.

Development projects (as developer and/or investor) are valued as soon as a construction lease is signed, subject to a condition precedent. A risk indemnity is applied in order to reflect a discount primarily before the procurement of a building permit and upon the deadline for appeal. Regarding the buildings, the property is evaluated as delivered and leased, then all remaining costs (residual works, marketing, franchises) are deducted for this value.

The valuation of land reserves was assessed internally and results from a differentiation of the parcels by destination according to four categories defined by their mutability deadlines (reserves available immediately, under aeronautical constraints, of PLU evolution and mutable in the short term after demolition/decontamination). 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 Aéroports de Paris SA.

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	117	725	81	923
Accumulated amortisation & depreciation	(54)	(370)	-	(424)
Carrying amount as at 1 Jan. 2017	63	355	81	499
Purchases and change in advances and prepayments	-	-	39	39
Disposals and write-offs	-	(63)	-	(63)
Depreciation and Amortisation	(2)	(19)	-	(21)
Transfers to and from other headings	2	45	(25)	22
Carrying amount as at 31 December. 2017	63	318	95	476
Gross value	119	563	95	777
Accumulated amortisation & depreciation	(56)	(245)	-	(301)

6.3.2 Fair value of investment property

The fair value of investment property stood at €2,433 million as at 31 December 2017, compared to €2,349 million at 31 December 2016, representing a growth of around 3.6%.

The rate of coverage of external appraisals for the valuation of buildings and land leased to third parties amounts to almost 99% of their value. These appraisals were managed by a group of independent property experts composed of the following firms:

- ◆ CBRE Valuation;
- ◆ Cushman & Wakefield Valuation & Advisory;
- ◆ Crédit Foncier Expertises.

Real estate experts use for their valuation (i) confidential data communicated by the Group (such as lease reports) and (ii) appropriate hypotheses mainly related to the discount rate and capitalization rate, market leasing values and specific advantages for lessees.

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 the general aviation aerodromes.

The valuation of buildings not used for Aéroports de Paris' own requirements, including their right of way, amounted to €1,052 million, an increase of €22 million compared to 2016.

This increase is mainly due to new entries as the acquisition of four additional buildings in the *Dôme* property complex, the conversion of land reserves into development projects of the Paris-Charles de Gaulle hotel sector, and a business park on a parcel of Paris-Orly and to adjustment of market lease value in certain areas, combined with a better occupation rate.

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 €1,219 million, an increase of 3.7%. 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 increased from €143 million to €162 million, due to the use of a valuation method which reflects better their availability period and the potential constraints attached to it and a different scope (land consumption for development projects, preemption of areas dedicated to aeronautical activities, 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>	As at 31 Dec. 2017	As at 31 Dec. 2016	Rate of immediate return
Buildings			
Offices Paris-Charles de Gaulle	404	332	6.5% - 9.0%
Cargo Paris-Charles de Gaulle	272	358	8.0% - 10.0%
Hangars Paris-Charles de Gaulle	90	86	9.0% - 13.0%
Hotels/shops Paris-Orly and Charles de Gaulle	6	-	4.0% - 6.5%
Hangars/freight Paris-Orly	129	117	10.0% - 20.0%
Activity Paris-Orly and Charles de Gaulle	27	27	7.0% - 12.0%
Paris-Le Bourget	124	110	7.0% - 13.0%
TOTAL OF EXTERNAL RENTED BUILDINGS	1,052	1,030	
Ground leases			
Offices Paris-Charles de Gaulle	95	86	6.0% - 7.5%
Cargo Paris-Charles de Gaulle	339	322	6.0% - 8.0%
Hangars Paris-Charles de Gaulle	115	115	8.0% - 10.0%
Hotels/shops Paris-Orly and Charles de Gaulle	253	262	4.0% - 6.5%
Hangars/freight Paris-Orly	58	55	13.0% - 16.0%
Logistic/activity Paris-Orly and Charles de Gaulle	218	225	6.0% - 9.0%
Paris-Le Bourget and AAG	141	111	5.0% - 8.0%
TOTAL OF EXTERNAL GROUND LEASES	1,219	1,176	
TOTAL OF LAND RESERVES	162	143	
TOTAL OF INVESTMENT PROPERTY	2,433	2,349	

6.3.3 Additional information

The law promulgated on 20 April 2005 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.

In addition, rental income (excluding rebilled charges) amounts to €184 million in 2017.



6.4 Impairment of intangible, tangible and investment properties

Intangible assets, property, plant and equipment and investment properties are tested for impairment when the Group identifies indices of impairment.

For intangible assets with an indefinite useful life, a test is performed at least once a year and whenever an indication of impairment appears. For land that is assumed non-depreciable, it is tested for impairment if there is an indication of impairment.

Intangible assets, property, plant and equipment and investment properties are tested at the level of the relevant asset group (isolated asset or Cash Generating Unit – CGU) determined in accordance with the requirements of IAS 36. In the case where the recoverable amount is less than net book value, an impairment loss is recognized for the difference between these two amounts. The recognition of an impairment loss results in a review of the base and the schedule of amortization/depreciation of the assets concerned.

In accordance with IAS 36, the criteria used to assess impairment indicators may include underperformance, a decrease in traffic, a significant change in market data or the regulatory environment, or obsolescence or material deterioration not initially foreseen in the amortization/depreciation plan.

Impairment losses on property, plant and equipment or intangible assets may be reversed later if the recoverable amount becomes higher than the net book value. The value of the asset after reversal of the impairment loss is capped at the carrying amount that would have been determined net of amortization if no impairment loss had been recognized in prior years.

The Group did not recognize any significant impairment losses on its property, plant and equipment (see note 6.2) and intangible assets (see note 6.1).

NOTE 7 EQUITY AND EARNINGS PER SHARE

7.1 Equity

Equity breaks 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
As at 31 Dec. 2017	297	543	-	3,834	(97)	4,577	857	5,434

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 subject to any change during the financial year 2017.

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.

Over the period, Aéroports de Paris SA transferred 105,516 shares in respect of the bonus share allocation component of the employee share ownership plan decided in 2015. In addition, as part of its liquidity contract and in accordance with the authorization given by the shareholders at the ordinary general meeting of 11 May 2017, during the period, the company repurchased 124,529 shares and sold 119,529 shares.

Thus, the number of treasury shares that was nil as at 31 December 2016 is also nil as at 31 December 2017 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. 2016	Comprehensive income – 2016	As at 31 Dec. 2016	As at 1 Jan. 2017	Comprehensive income – 2017	As at 31 Dec. 2017
Translation adjustments	3	1	4	4	(14)	(10)
Actuarial gain/(loss)*	(84)	(10)	(94)	(94)	10	(84)
Fair value reserve	-	5	5	5	(8)	(3)
TOTAL	(81)	(4)	(85)	(85)	(12)	(97)

* Cumulative losses on variances, net of deferred tax.

7.1.4 Retained earnings

Retained earnings may be analysed as follows:

<i>(in millions of euros)</i>	As at 31 Dec. 2017	As at 31 Dec. 2016
Reserves of parent company Aéroports de Paris:		
♦ Legal reserve	30	30
♦ Other reserves	865	863
♦ Retained earnings	1,102	987
Consolidated reserves	1,266	1,226
Net income for the period attributable to the owners of the parent company	571	435
TOTAL	3,834	3,541

7.1.5 Dividends paid

Dividends paid amounted to:

- ♦ €261 million in 2017, i.e. €2.64 per share, in compliance with Resolution 3 of the 11 May 2017 Ordinary General Meeting of Shareholders;
- ♦ €258 million in 2016, i.e. €2.61 per share, in compliance with Resolution 3 of the 3 May 2016 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 2017 accounts under distribution to equity holders, stood at €342 million, i.e. €3.46 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 2017 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 6 December 2017 and payment of the interim dividend for 2017 was made on 8 December 2017.

7.1.7 Earnings per share

The calculation of earnings per share is as follows at the closing date:

	2017	2016
Weighted average number of outstanding shares (without own shares)	98,955,790	98,932,700
Net profit of continuing activities attributable to owners of the parent company <i>(in million euros)</i>	571	435
Basic earnings per share <i>(in euros)</i>	5.77	4.40
Diluted earnings per share <i>(in euros)</i>	5.77	4.40
Net income attributable to owners of the parent company <i>(in million euros)</i>	571	435
Basic earnings per share <i>(in euros)</i>	5.77	4.40
Diluted earnings per share <i>(in euros)</i>	5.77	4.40

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, i.e. 4,812 as at 31 December 2017 and 27,902 as at 31 December 2016.

There are no diluting equity instruments.

7.2 Minority interests

Minority interests break down as follows:

<i>(in millions of euros)</i>	As at 31 Dec. 2017	As at 31 Dec. 2016
Non-controlling interests		
TAV Airports (Turquie)	849	-
Média Aéroport de Paris	6	6
Others	-	-
TOTAL	857	7



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	2017	Litigation and claims	Other provisions	2016
Provisions as at 1 January	15	54	69	19	64	83
Increases	10	55	65	1	20	21
◇ Additions	3	13	16	1	20	21
◇ Increase due to changes in consolidation scope	-	22	22	-	-	-
Decreases	(11)	(34)	(45)	(5)	(30)	(35)
◇ Provisions used	-	(7)	(7)	(1)	(15)	(16)
◇ Provisions reversed	(11)	(7)	(18)	(4)	(15)	(19)
◇ Decrease due to changes in consolidation scope	-	(1)	(1)	-	-	-
◇ Other changes	-	(19)	(19)	-	-	-
Provisions at closing	14	75	89	15	54	69
<i>Of which</i>						
◇ Non-current portion	14	42	56	15	31	46
◇ Current portion	-	33	33	-	23	23

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 15.

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 amortized;
- ◇ Concession rent payable for concessions operated by TAV Airports;
- ◇ 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 interests. 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>	As at 31 Dec. 2017	As at 31 Dec. 2016
Concession rent payable > 1 year	621	-
Investment grants	49	43
Debt related to the minority put option	18	11
Deferred income	91	71
Other	1	-
TOTAL	780	125

Concession rent payable relate to TAV Airports for TAV Milas Bodrum and TAV Ege which concession rent are fixed as defined in the concession agreements and have been recognized as counterparty for the airport operating right. As at 31 December 2017, concession rent payable amounts to €280 million for Milas Bodrum and €273 million for Ege (vs. €347 million and €314 million respectively as at 31 December 2016) (see note 6.1.1).

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. €25 million as of 31 December 2017 (€28 million as of 31 December 2016);
- ◇ leasing construction of SCI Aéroville, i.e. €29 million as of 31 December 2017 (€26 million as of 31 December 2016).

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 not significant.

The Group exposure to credit risk is principally affected by the individual characteristics of each customer. Around 21% of the Group revenue is derived from services sold to its main customer.

Quantitative details regarding trade receivables and anteriority or current receivables are set out in paragraph 4.4.

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 investments.

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. Concerning TAV Airports, credit risk linked to liquid funds is limited considering that counterparties are high credit rated banks. 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. In particular, ADP International and TAV Airports gave commitments (share pledges, receivable pledge, pledge over bank accounts) in relation to bank loans that are intended to finance the construction and operation of certain concessions (see note 14).

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 increased from 63% in 2016 to 70% in 2017.

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 1.74% 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. As such, it includes the realized and unrealized result on foreign exchange and interest rate derivatives carried by Groupe ADP, whether or not they are documented in hedge accounting. Net financial income also include unwinding of discount on concession rent payable.

The analysis of net financial income is as follows respectively for 2017 and 2016:

<i>(in millions of euros)</i>	Financial income	Financial expenses	Financial income 2017
Gross interest expenses on debt	-	(126)	(126)
Net income (expense) on derivatives	15	(15)	-
Cost of gross debt	15	(141)	(126)
Income from cash and cash equivalents	9	(1)	8
Cost of net debt	24	(142)	(118)
Income from non-consolidated investments	2	-	2
Net foreign exchange gains (losses)	14	(40)	(26)
Impairment and provisions	-	(17)	(17)
Other	7	(27)	(20)
Other financial income and expenses	23	(84)	(61)
Net financial income	47	(226)	(179)

<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
Cost of gross debt	16	(123)	(107)
Income from cash and cash equivalents	2	-	2
Cost of net debt	18	(123)	(105)
Income from non-consolidated investments	1	-	1
Net foreign exchange gains (losses)	5	(7)	(2)
Impairment and provisions	1	(8)	(7)
Other	1	(3)	(2)
Other financial income and expenses	8	(18)	(10)
Net financial income	26	(141)	(115)

Gains and losses by category of financial instruments are as follows:

<i>(in millions of euros)</i>	2017	2016
Income, expenses, profits and loss on debt at amortised cost	(127)	(107)
Interest charges on debt at amortised cost	(126)	(113)
Net interest on derivative instruments held as cash-flow hedges	(6)	-
Net interest on derivative instruments held as fair value hedges	4	4
Change in value of fair value hedging instruments	(56)	(3)
Change in value of hedged items	57	5
Gains and losses of financial instruments recognized at fair value in the income statement	7	1
Gains on cash equivalents (fair value option)	7	1
Gains realized and unrealized on derivative instruments not classified as fair value hedges (trading derivatives)	-	-
Profits and losses on assets held for sale	(9)	1
Gains (losses) on disposal	-	(1)
Net allowances to provisions	(9)	2
Other profits and losses on loans, credits and debts and amortised cost	(42)	(1)
Net foreign exchange gains (losses)	(27)	(1)
Other net profit	(15)	-
Financial allowances to provisions for employee benefit obligations	(8)	(9)
Financial allowances to provisions for employee benefit obligations	(8)	(9)
TOTAL NET GAINS (NET LOSSES) RECOGNIZED IN THE INCOME STATEMENT	(179)	(115)

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:

(in millions of euros)	As at 31 Dec. 2017	Non- current portion	Current portion	As at 31 Dec. 2016	Non- current portion	Current portion
Bonds	4,179	4,179	-	3,868	3,679	189
Bank loans ¹	1,623	1,057	566	517	517	-
Other loans and assimilated debt	42	35	7	28	25	3
Debt (excluding accrued interests and derivatives)	5,844	5,271	573	4,413	4,221	192
Accrued interest	67	-	67	71	-	71
Derivative financial instruments (liabilities)	54	49	5	20	18	2
TOTAL DEBT	5,965	5,320	645	4,504	4,239	265

¹ The current portion of bank loan liabilities notably includes bank loans contracted by TAV Tunisia. Since TAV Tunisia has been in breach of its financing agreements due to its current difficulties following the 2015 events in Tunisia, bank loan liabilities are classified under the current section for an amount of €342 million as at 31 December 2017.

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, cash and cash equivalents and restricted bank balances.

This net financial debt appears as follows at the closing date:

(in millions of euros)	As at 31 Dec. 2017	Non- current portion	Current portion	As at 31 Dec. 2016	Non- current portion	Current portion
Debt	5,965	5,320	645	4,504	4,239	265
Derivative financial instruments (assets)	27	23	4	91	31	60
Receivables and current accounts from associates	90	51	39	58	10	48
Cash and cash equivalents	1,912	-	1,912	1,657	-	1,657
Restricted bank balances ¹	189	-	189	-	-	-
Debt related to the minority put option	(50)	(18)	(32)	(11)	(11)	-
Net financial debt	3,797	5,264	(1,467)	2,709	4,209	(1,500)
Gearing	70%			63%		

¹ Restricted bank balances relate to TAV Airports. Certain subsidiaries, namely TAV Istanbul, TAV Esenboğa, TAV Tunisia, TAV Macedonia, TAV Milas Bodrum, TAV Ege and TAV Holding ("the Borrowers") opened Project Accounts designated mainly in order to reserve required amount to reimburse project debt or elements defined in the agreements with their lenders (lease payments to DHMI, operational charges, tax...).

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>	Nominal value	Nominal rate	Effective rate before taking account of fair value hedges	Value of the debt at amortised cost	Impact of fair value hedges	Book value as at 31/12/2017	Fair value as at 31/12/2017
Aéroports de Paris SA							
Of which Bonds:							
ADP 2012-2019	300	2.375%	2.476%	299	-	299	311
ADP 2010-2020	500	3.886%	3.95%	494	-	494	547
ADP 2011-2021	400	4.0%	4.064%	399	10	409	456
ADP 2011-2022	400	3.875%	3.985%	398	-	398	461
ADP 2015-2023	500	1.50%	1.524%	499	-	499	531
ADP 2012-2024	500	3.125%	3.252%	496	-	496	584
ADP 2014-2025	500	1.50%	1.609%	494	-	494	533
ADP 2013-2028	600	2.75%	2.846%	593	-	593	711
ADP 2017-2027	500	1.0%	1.036%	497	-	497	506
Of which Bank loans:							
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	130
Other	37	-	-	37	-	37	40
TAV Tunisia							
Bank loans 2022-2028	342 Eur 6M + margin	Eur 6M + margin		342	-	342	389
TAV Ege							
Bank loan 2028	231 Eur 6M + 5.50%	Eur 6M + 5.50%		231	-	231	322
TAV Milas Bodrum							
Bank loan 2031	146 Eur 6M + 4.50%	Eur 6M + 4.50%		146	-	146	192
TAV Istanbul							
Bank loan 2018	138 1.40% - 1.60%	1.40% - 1.60%		138	-	138	139
TAV Esenboga							
Bank loan 2021	59 Eur 6M + 2.35%	Eur 6M + 2.35%		59	-	59	62
TAV Macedonia							
Bank loan 2025	58 Eur 6M + 4.95%	Eur 6M + 4.95%		58	-	58	70
TAV Gazipasa							
Prêts bancaires 2018-2020	49	3.9% - 4.6%	3.9% - 4.6%	49	-	49	53
Other subsidiaries of TAV Airports							
Bank loans	81	-	-	81	-	81	87
TOTAL	5,821			5,790	10	5,800	6,475

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's 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. 2017	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 ¹	Trading ²				Fair value hedge	Cash flow hedge
Other non-current financial assets	376	-	23	29	323	-	-	-
Trade receivables	641	-	-	-	641	-	-	-
Other receivables ³	161	-	-	-	161	-	-	-
Other current financial assets	248	-	4	-	244	-	-	-
Cash and cash equivalents	1,912	1,912	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS	3,338	1,912	27	29	1,369	-	-	-
Non-current debt	5,320	-	13	-	-	5,271	-	36
Trade payables	422	-	-	-	-	422	-	-
Other debts ³	1,161	-	-	-	-	1,161	-	-
Current debt	645	-	5	-	-	640	-	-
TOTAL FINANCIAL LIABILITIES	7,548	-	18	-	-	7,494	-	36

¹ Identified as such at the outset.² Classified as held for trading purposes.³ 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. 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 ¹	Trading ²				Fair value hedge	Cash flow hedge
Other non-current financial assets	125	-	31	19	75	-	-	-
Trade receivables	548	-	-	-	548	-	-	-
Other receivables ³	41	-	-	-	41	-	-	-
Other current financial assets	129	-	4	-	69	-	56	-
Cash and cash equivalents	1,657	1,657	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS	2,500	1,657	35	19	733	-	56	-
Non-current debt	4,239	-	18	-	-	4,221	-	-
Trade payables	472	-	-	-	-	472	-	-
Other debts ³	250	-	-	-	-	250	-	-
Current debt	265	-	2	-	-	263	-	-
TOTAL FINANCIAL LIABILITIES	5,226	-	20	-	-	5,206	-	-

¹ Identified as such at the outset.² Classified as held for trading purposes.³ 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 the scope of the determination of fair value of derivatives, the credit valuation adjustment (CVA) was computed as of 31 December 2017 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 2016 and 2017 is as follows:

	As at 31 Dec. 2017		Level 1 Quoted prices in active markets	Level 2 Prices base on observable data	Level 3 Prices base on non-observable data
(in millions of euros)	Book value	Fair value			
Assets					
Available-for-sale financial assets	29	29	-	29	-
Loans and receivables excluding finance leases receivables	420	417	-	417	-
Trade receivables	641	641	-	641	-
Derivatives	27	27	-	27	-
Cash and cash equivalents	1,912	1,912	1,912	-	-
Liabilities					
Bonds	4,179	4,640	-	4,640	-
Bank loans	1,623	1,835	-	1,835	-
Other loans and assimilated debt	42	42	-	42	-
Interest on loans	67	67	-	67	-
Derivatives	54	54	-	54	-
Other non-current liabilities	780	743	-	743	-
Other debts and deferred income	724	724	-	724	-

	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
(in millions of euros)	Book value	Fair value			
Assets					
Available-for-sale financial assets	19	19	-	19	-
Loans and receivables excluding finance leases receivables	120	120	-	120	-
Trade receivables	548	548	-	548	-
Derivatives	91	91	-	91	-
Cash and cash equivalents	1,657	1,657	1,657	-	-
Liabilities					
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	-
Other non-current liabilities	125	125	-	125	-
Other debts and deferred income	456	456	-	456	-

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. 2017			As at 31 Dec. 2016		
	Before hedging	After hedging	%	Before hedging	After hedging	%
<i>(in millions of euros)</i>						
Fixed rate	4,578	4,991	84%	4,003	3,814	85%
Variable rate	1,333	920	16%	481	670	15%
Debt (excluding derivatives)	5,911	5,911	100%	4,484	4,484	100%

As of 31 December 2017, the Group holds rate and exchange based derivative financial instruments (swaps), with a fair value of €27 million,

appearing on the assets under other current financial assets, and €54 million appearing on the liabilities under financial debt.

The notional amounts of fair value hedging derivatives may be analysed as follows:

<i>(in thousands of euros)</i>	Maturity < 1 year	Maturity between 1 & 5 years	Maturity > 5 years	As at 31 Dec. 2017	Fair value
Derivatives classified as fair value hedges	-	-	-	-	-
Derivatives classified as cash flow hedges	-	59	339	398	(36)
Derivatives not classified as hedges	-	400	-	400	11
Currency derivatives not classified as hedges	30	-	-	30	(2)
TOTAL	-	459	339	798	(27)

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 2017 would not result in a material increase on the fair value of the derivatives.

EXCHANGE RISKS

Following the takeover of TAV Airports on 1 July 2017, (see note 2), the Group is henceforth exposed to exchange risk. TAV Airports converts its financial statements in a currency other than its functional currency, therefore the main risk of change relates to the variations of the euro currency compared to the Turkish lira and American dollar. The currencies in which transactions are mainly denominated are euro, Turkish lira (TRY) and American dollar, as well as few currencies from the Persian Gulf linked to American dollar with a fixed parity, e.g. Sudanese rial, United Arab Emirates dirham and the Oman rial.

In order to reduce exposure to exchange fluctuations, the Group has a hedging policy consisting of:

- ◇ implementing derivative instruments;
- ◇ 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:

<i>(in millions of euros)</i>	As at 31 Dec 2017	Euro	USD	AED	JOD	Other currencies
Other non-current financial assets	376	312	61	-	-	2
Trade receivables	641	516	33	6	5	42
Other receivables ¹	161	60	91	-	-	3
Other current financial assets	248	225	7	2	-	8
Cash and cash equivalents	1,912	1,630	237	1	6	18
TOTAL FINANCIAL ASSETS	3,338	2,743	429	9	11	73
Non-current debt	5,320	5,302	17	-	-	1
Trade payables	422	379	3	8	-	13
Other debts ¹	1,161	1,103	3	1	-	4
Current debt	645	639	2	-	-	-
TOTAL FINANCIAL LIABILITIES	7,548	7,423	25	9	-	18

¹ 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 relate primarily to the Oman rial (OMR) and Sudanese rial (SAR).

Concerning the exposure of TAV Airports to exchange risk, an appreciation/depreciation of the currencies compared to euro of 10% would have a positive/negative impact of €28 million on the profit before tax.

The exchange rates used for the conversion of the financial statements of foreign subsidiaries, joint ventures and associated are as follows:

	As at 31 Dec. 2017		As at 31 Dec. 2016	
	Closing rate	Average rate	Closing rate	Average rate
United States Dollar (USD)	0.83731	0.88704	0.95648	0.90380
Mexican Peso (MXN)	0.04247	0.04698	0.04637	0.04844
Turkish Lira (TRY)	0.22157	0.24350	0.27223	0.29948
Jordanian Dinar (JOD)	1.17925	1.25082	1.35099	1.27540
Libyan Dinar (LYD)	0.61595	0.63232	0.66379	0.66111
Moroccan Dirham (MAD)	0.08952	0.09130	0.09414	0.09216
Croatian Kuna (HRK)	0.13388	0.13396	0.13243	0.13275
Chinese yuan (CNY)	0.12811	0.13120	0.13756	0.13608
Chilean peso (CLP)	0.00136	0.00137	0.00142	0.00134
Ariary (MGA)	0.00026	0.00028	0.00029	0.00028
Mauritian Rupee (MUR)	0.02483	0.02569	0.02661	0.02543

LIQUIDITY RISKS

Liquidity risk corresponds to the risk that the Group may experience difficulties in honoring 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 are presented below. Off Balance Sheet commitments are presented in Erreur! Source du renvoi introuvable.

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)	31/12/2017	31/12/2017	0 -1 year	1 -5 years	Over 5 years
Bonds	4,179	4,200	-	1,600	2,600
Bank loans	1,623	1,619	319	795	505
Security deposits received	18	18	2	-	16
Other loans and assimilated debt	22	22	4	8	10
Interest on loans	67	915	149	489	277
Bank overdrafts	2	2	2	-	-
Debt (excluding derivatives)	5,911	6,776	476	2,892	3,408
Trade payables	422	422	422	-	-
Other debts ¹	1,161	1,159	437	243	479
Debt at amortised cost	7,494	8,357	1,335	3,135	3,887
Outgoings	-	90	11	46	33
Receipts	-	(126)	(22)	(69)	(35)
Hedging swaps	36	(36)	(11)	(23)	(2)
Outgoings	-	37	9	28	-
Receipts	-	(26)	(6)	(20)	-
Trading swaps	(11)	11	3	8	-
Outgoings	-	28	28	-	-
Receipts	-	(30)	(30)	-	-
Exchange rate hedging	2	(2)	(2)	-	-
TOTAL	7,521	8,330	1,325	3,120	3,885

¹ Other debts exclude all accounts which do not constitute, within the terms of IAS 32, contractual obligations, such as tax and social security debts.



Financial covenants

In addition to the remark related to TAV Tunisia detailed in note 9.4.1, financing agreements linked to concessions operated by TAV Istanbul, TAV Esenboga and TAV Macedonia also include early repayment clauses

in case of non-compliance with financial ratios. These contracts account for 4.40% of the total bank loans of the Group as at 31 December 2017. For these contracts, ratios were all met at 31 December 2017.

The maturity schedule of loans and receivables is as follows:

<i>(in millions of euros)</i>	As at 31 Dec. 2017	0 -1 year	1 -5 years	Over 5 years
Receivables and current accounts from associates	90	39	3	48
Other receivables and accrued interest related to investments	13	9	-	4
Loans and security deposits	12	4	7	1
Receivables, as lessor, in respect of finance leases	147	4	24	119
Receivables from asset disposals	1	1	-	-
Other financial assets	305	188	102	15
Trade receivables	641	641	-	-
Other receivables ¹	161	161	-	-
Loans and receivables	1,370	1,047	136	187

¹ 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 RISKS

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>	As at 31 Dec. 2017	As at 31 Dec. 2016
Available-for-sale financial assets	29	19
Financial assets recognized at fair value through the income statement	27	35
Loans and receivables less than one year	1,045	658
Loans and receivables more than one year	324	75
Cash and cash equivalents	1,912	1,657
Interest rate swaps held for hedging purposes	-	56
TOTAL	3,337	2,500

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>	As at 31 Dec. 2017	As at 31 Dec. 2016
Air France	104	121
Easy Jet	7	9
Federal Express Corporation	9	6
Turkish Airlines	29	-
Other airlines	109	77
Subtotal airlines	258	213
<i>Direction Générale de l'Aviation Civile</i>	62	92
Société de Distribution Aéroportuaire	33	43
ATU	7	-
Other trade receivables	281	200
Other loans and receivables less than one year	404	110
TOTAL LOANS AND RECEIVABLES LESS THAN ONE YEAR	1,045	658

The anteriority of current receivables is as follows:

<i>(in millions of euros)</i>	As at 31 Dec. 2017	
	Gross value	Net value
Outstanding receivables	712	714
Due receivables:		
♦ from 1 to 30 days	16	16
♦ from 31 to 90 days	31	31
♦ from 91 to 180 days	11	10
♦ from 181 to 360 days	14	11
♦ more than 360 days	74	5
CURRENT LOANS AND RECEIVABLES (ACCORDING TO THE SCHEDULE - SEE § LIQUIDITY RISKS)	858	787

The development of trade receivables is detailed in paragraph 4.4.

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 2017:

<i>(in millions of euros)</i>	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 : interest rate swap	27	-	27	-	-	27
derivatives : currency swap	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS - DERIVATIVES	27	-	27	-	-	27
derivatives : interest rate swap	(51)	-	(51)	-	-	(51)
derivatives : currency swap	(2)	-	(2)	-	-	(2)
TOTAL FINANCIAL LIABILITIES - DERIVATIVES	(53)	-	(53)	-	-	(53)



9.6 Other financial assets

The amounts appearing on the balance sheet as at 31 December 2017 and 31 December 2016 respectively are broken down as follows:

<i>(in millions of euros)</i>	As at 31 Dec. 2017	Non-current portion	Current portion
Available-for-sale securities	29	29	-
Loans and receivables excluding finance leases receivables	420	180	240
◊ Receivables & current account from associates	90	51	39
◊ Other receivables and accrued interest related to investments	13	5	8
◊ Guaranteed passenger fee receivable ¹	97	97	-
◊ Other financial assets	220	27	193
Receivables, as lessor, in respect of finance leases	148	144	4
Derivative financial instruments	27	23	4
◊ Hedging swaps	-	-	-
◊ Trading swaps	27	23	4
TOTAL	624	376	248

¹ See note 6.1.1

The receivable recorded on Fedex, which amounts to €126 million, is presented under the heading "Receivables, as lessor, in respect of finance leases".

<i>(in millions of euros)</i>	As at 31 Dec. 2016	Non-current portion	Current portion
Available-for-sale securities	19	19	-
Loans and receivables excluding finance leases receivables	120	54	66
◊ 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
Receivables, as lessor, in respect of finance leases	24	21	3
Derivative financial instruments	91	31	60
◊ Hedging swaps	56	-	56
◊ Trading swaps	35	31	4
TOTAL	254	125	129

NOTE 10 OTHER OPERATING INCOME AND EXPENSES

Other operating income 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 disposal of 80% of the subsidiary Hub Safe on 29 September 2017 (see note 2), the Group recognized a gain of €27 million, net of selling costs before corporate income tax. Groupe ADP remains a 20%-shareholder and since that date accounts for its investment under the equity method.

NOTE 11 INCOME TAX

The income tax 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 analyzed 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 thirteen French subsidiaries held, in which the parent company, directly or indirectly, holds over 95%: ADP Immobilier, ADP Immobilier Industriel, Hub One, Hub One Mobility, ADP Ingénierie, ADP International, Cœur d'Orly Commerces Investissements SAS, Cœur d'Orly Investissements SAS, ADP Invest, ADPM2, ADPM3, ADP Immobilier Tertiaire, and HÔTEL RO3 SAS.

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 revalued 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.

11.1 Tax rate

The current tax rate used as at 31 December 2017 amounts to 39.43%, considering the non-recurring contribution for groups whose revenue exceed €1 billion, voted in the amending finance law for 2017.



11.2 Analysis of the income tax expense

Within the income statement, the income tax expense is detailed as follows:

<i>(in millions of euros)</i>	2017	2016
Current tax expense	(267)	(225)
Deferred tax expense	7	23
INCOME TAX EXPENSE	(260)	(202)

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.

11.3 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>	2017	2016
Net income after tax	614	438
Share of profit or loss from associates and joint ventures ¹	(79)	44
Income tax expense	260	202
Income before tax and profit/loss of associates	795	684
<i>Theoretical tax rate applicable in France</i>	<i>34.43%</i>	<i>34.43%</i>
Theoretical tax expense	(274)	(236)
Impact on theoretical tax of:		
♦ Different rate on foreign taxable income and payment at source	12	5
♦ Extraordinary contribution of 15% on the tax rate	(32)	-
♦ Income receivable related to the cancellation of the 3% dividend contribution	24	-
♦ Additional tax on dividends	(6)	(8)
♦ Tax losses incurred in the period for which no deferred tax asset was recognized	(1)	(1)
♦ Evolution of tax rates ¹	26	29
♦ Changes in unrecognized temporary differences	1	-
♦ Non-deductible expenses and non-taxable revenue	(16)	5
♦ Tax credits	5	4
♦ Adjustments for prior periods	1	-
Effective tax expense	(260)	(202)
<i>Effective tax rate</i>	<i>32.65%</i>	<i>29.44%</i>

¹ Impact due to the reduction of the tax rate from 2020 voted in the budget law at the end of December 2017

11.4 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>	As at 31 Dec. 2017	As at 31 Dec. 2016
In respect of deductible temporary differences		
◇ Employee benefit obligation	123	137
◇ Amortisation of fees for the study and overseeing of works	12	15
◇ Provisions and accrued liabilities	23	14
◇ Other	43	3
For taxable temporary differences		
◇ Accelerated tax depreciation and other regulated provisions	(319)	(342)
◇ Finance leases	(6)	(7)
◇ Revaluation reserves	(8)	(8)
◇ Purchase Price Allocation	(175)	(2)
◇ Other	(61)	(8)
Net deferred tax assets (liabilities)	(368)	(198)

11.5 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
As at 1 Jan. 2017	-	198	(198)
Amount recognized directly through equity on employee benefit obligations	-	4	(4)
Amounts recognized for the period	(33)	(40)	7
Translation adjustments	(1)	-	(1)
Changes in consolidation scope	35	207	(172)
As at 31 Dec. 2017	1	369	(368)

11.6 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. 2017	As at 31 Dec. 2016
Current tax assets		
Aéroports de Paris SA and tax-consolidated companies	55	-
Other consolidated entities	4	-
TOTAL	59	-
Current tax liabilities		
Aéroports de Paris SA and tax-consolidated companies	1	3
Other consolidated entities	24	5
TOTAL	25	8

The Group has no knowledge of any contingent tax assets or liabilities as of 31 December 2017.



NOTE 12 CASH AND CASH EQUIVALENTS AND CASH FLOWS

12.1 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 money market funds. 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>	As at 31 Dec. 2017	As at 31 Dec. 2016
Marketable securities	1,404	1,556
Cash ¹	508	101
Bank overdrafts ²	(2)	(1)
CASH AND CASH EQUIVALENTS	1,910	1,656

¹ Including €22 million of cash dedicated to aid to local residents funding collected through the tax on airborne noise nuisances (TNSA).

² Included in Current liabilities under debt.

As part of its cash management, Groupe ADP has mainly invested in euro-denominated UCITS.

complex in the short term for mainly regulatory reasons (€2 million at 31 December 2017).

Cash and short-term cash equivalents for the Group include the bank accounts of certain subsidiaries for which repatriation conditions are

12.2 Cash flows

12.2.1 Cash flows from operating activities

Income and expense with no impact on net cash

<i>(in millions of euros)</i>	2017	2016
Depreciation, amortisation and impairment losses (excluding current assets)	616	471
Profit/loss of associates from operating activities	(78)	52
Net gains on disposals	(89)	(34)
Other	11	(5)
INCOME AND EXPENSE WITH NO IMPACT ON NET CASH	460	484

The net gains on disposals mainly relate to the profit linked to the cargo hub buildings and the disposal of 80% of the subsidiary Hub Safe (see note 2).

Change in working capital

<i>(in millions of euros)</i>	2017	2016
Inventories	3	(7)
Trade and other receivables	160	(53)
Trade and other payables	(49)	(17)
Change in working capital	114	(77)

12.2.2 Cash flows from investing activities

Acquisition of subsidiaries and associates (net of acquired cash)

<i>(in millions of euros)</i>	2017	2016
Proceeds from sale of subsidiaries (net of cash sold) and investments	21	71
Acquisitions of subsidiaries and investments (net of cash acquired)	20	(20)

In 2017, the flow related to acquisition of investments is mainly due to investments in financial funds by the parent company and by capital called unpaid. In 2016, the flow related to acquisition of investments is

mainly due to the acquisition by ADP International of the Chilean company Nuevo Pudahuel.

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	2017	2016
Purchase of intangible assets	6	(32)	(25)
Purchase of property, plant and equipment	6	(847)	(767)
PURCHASE OF PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS		(879)	(792)

Details of this expenditure are as follows:

<i>(in millions of euros)</i>	2017	2016
Renovation and quality	(232)	(255)
Increases in capacity	(256)	(220)
Cost of studies and supervision of works (FEST)	(95)	(90)
Real estate development	(126)	(122)
Restructuring	(81)	(69)
Security	(55)	(26)
Other	(34)	(10)
TOTAL	(879)	(792)

Major projects carried out by Aéroports de Paris SA during the period concern:

◆ investments at Paris-Charles de Gaulle Airport mainly related to:

- ◆ further work to set up a system of conveying, handling and increasing luggage security under satellites S3 and S4 of terminal 2E,
- ◆ renovation of terminal 2B and its junction with the terminal 2D,
- ◆ completion of construction of the new headquarters office,
- ◆ the acquisition of the northern part of the office building "le Dôme" at Roissy-pôle,
- ◆ construction works related to the upgrade to the standards of rainwater systems,
- ◆ work for international satellites junction in terminal 1,
- ◆ move of the taxi rear base,
- ◆ renovation works on the RER station at Roissy-pôle,

- ◆ the reworks of the terminal 1 satellites façades,
- ◆ the redesign of the hall K retail shops in terminal 1,
- ◆ hotel arrangements in West Roissy-pôle area,
- ◆ the reorganization of the secondary road network in Roissy-pôle area;
- ◆ investments at Paris-Orly Airport mainly related to:
 - ◆ further work of construction for the junction building between the South and West terminals,
 - ◆ restructuring work of international departure security checks at the South terminal,
 - ◆ expansion works on Golf areas and compliance upgrade of LGN-LIS turn,
 - ◆ the extension of the hall 1 of terminal west in paris-Orly,
 - ◆ the second phase of the airstrip 4 renovation,
 - ◆ construction of additional boarding gates in Hall A of South terminal,



- ◆ the switch between security checkpoints and border control spots in the international departures process at South terminal,
- ◆ the continuation of renovation works in Orlytech business area,
- ◆ the completion of construction of the bridge between the Coeur d'Orly business area and the South terminal,
- ◆ construction works for the project of the future Grand Paris station;
- ◆ investments at Paris-Le Bourget mainly related to Construction works for the project of the future Grand Paris station and the site preparation of the Nord Atlas area;
- ◆ in addition, Aéroports de Paris SA pursued significant investments in 2017 in its support functions and projects common to all platforms, notably the purchase of standard 3 hold luggage inspection equipment pursuant to European regulation, improvement of sanitary facilities to comply with standards and IT developments.

Dividends received

<i>(in millions of euros)</i>	2017	2016
TAV Airports (Turkey)	24	41
Schiphol Group (Netherlands)	12	15
Société de Distribution Aéroportuaire	2	9
RELAY@ADP	2	2
SETA (Mexico)	-	2
SCI Roissy Sogaris	2	-
Other	-	1
TOTAL	42	70

NOTE 13 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		Other related parties		TOTAL GROUP	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	477	300	1,284	1,261	-	-	1,761	1,561
External expenses (inc. purchases of fixed assets)	22	-	132	146	6	-	160	146
Financial assets	90	19	-	-	2	-	92	19
Other assets	65	49	181	226	2	-	248	275
Financial liabilities	-	-	-	-	-	-	-	-
Other liabilities	34	4	101	119	-	-	135	123

13.1 Relations with associated or jointly controlled companies

CDG Express

In 2014, when the French Government decided to relaunch the CDG Express project, the entity "CDG Express Études" was created to conduct legal, technical and financial studies related to the project. CDG Express Études is equally held by Aéroports de Paris SA, SNCF Réseau and the State and was granted a budget of €15.6 million.

Studies conducted by the entity were used as a basis for the law of 28 December 2016 in relation to a rail connection between Paris and Paris-Charles de Gaulle airport, in order to define the legal structure of the project. The structure is henceforth based on:

- ◆ the creation of a project entity (the infrastructure manager), in charge of the creation, financing, maintenance and operation of the infrastructure. This entity is expected to be launched in 2018 and will be held mainly by Aéroports de Paris SA and SNCF Réseau;
- ◆ SNCF Réseau will remain infrastructure manager on the existing Paris - Mitry-Mory connection;
- ◆ a rail operator in charge of the transport service operation.

Meanwhile, pending completion of the creation of the project entity, the respective Chief Executive Officers of SNCF Réseau and Aéroports de

Paris SA were asked by the French Prime Minister to pre-finance, for the account of the project entity, the pursuit of the technical studies on the project and the design of the works concession. In this context, Aéroports de Paris SA, SNCF Réseau and Caisse des Dépôts et Consignation signed a tripartite agreement covering within a limit of €49.1 million, the amount of expenditures necessary to pursue the aforementioned studies.

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.

Similarly, TAV Airports and ATU concluded contracts allowing ATU to operate retail shops within its airport platforms.

13.2 Relations with the French State and State participations

Relations with the state

The French State holds 50.6% of the share capital of Aéroports de Paris SA and 58.6% of the voting rights as at 31 December 2017. 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 2017, revenues linked to airport security and safety amounted to €487 million (€480 million in 2016). At 31 December 2017, the receivable from the DGAC amounts to €57 million (€93 million at 31 December 2016);
- ◆ 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 was signed between SGP and ADP on 6 March 2017 to clarify the different sub-projects, the budget allocated to the construction works, the amount of indemnities to be paid to ADP for the losses and additional costs related to the buildings affected by the construction of the metro station, and the allocation of the missions between the parties.

Furthermore, two additional agreements were signed with the SGP in July and September 2017, for the remuneration of the feasibility studies conducted in relation to potential works to be realised by Aéroports de Paris SA for the account of the SGP, in the structure of Paris-Charles de Gaulle and Le Bourget airports.

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.



13.3 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 €6.7 million in 2017, compared with €5.8 million in 2016. This change was mainly due to the increase in directors' fees, an increase in employers' charges and the effect of the full year for members of the Executive Committee who joined in prior years, as well as full and final compensation elements for

members who left in 2017. This remuneration includes the short-term benefits (fixed and variable remuneration and benefits in kind), as well as the corresponding employers' charges 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 14 OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments and contingent assets and liabilities are presented below:

<i>(in millions of euros)</i>	As at 31 Dec. 2017	As at 31 Dec. 2016
Guarantees	473	2
Guarantees on first demand	88	86
Irrevocable commitments to acquire assets	845	405
Other	135	160
COMMITMENTS GRANTED	1,541	653
Guarantees	133	60
Guarantees on first demand	174	233
COMMITMENTS RECEIVED	318	293

Futhermore, the future minimum lease payments receivable for Aéroports de Paris SA as a lessor on existing contracts as at 31 December 2017 are as follows:

<i>(in millions of euros)</i>	Total			
	As at 31 Dec 2017	0 -1 year	1 -5 years	Over 5 years
Minimum lease payments receivable	3,041	259	936	1,846

Aéroports de Paris SA

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 its subsidiaries.

Irrevocable commitments to acquire assets which explains the main variation concern:

- ◆ renovation works in terminal 2B and its junction with terminal 2D in Paris-Charles-de-Gaulle;
- ◆ preparatory works for the construction of CDG Express;
- ◆ the construction of a baggage conveyance, sorting and safety system under the satellites S3 and S4 of the Paris-Charles-de-Gaulle terminal 2E;
- ◆ the redesign of the international departures process in Paris-Orly South terminal.

The 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 April 20, 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.

ADP Ingenierie and ADP International

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.

TAV Airports

Commitments given by TAV Airports and its subsidiaries amount to €486 million as at 31 December 2017 and are mainly letters of guarantee:

- ◇ given mainly to third parties (customs, lenders and customers), to the General Directorate of State Airports Authority (DHMI) as well as Saudi Arabian, Tunisian and Macedonian governments;
- ◇ issued from Build - Operate - Terminate agreements (BOT agreements), from concession agreements and lease contracts.

Main guarantees given to DHMI:

- ◇ TAV Istanbul is bound by the terms of the rent agreement made with DHMI and is obliged to give 6% of the total rent amount, i.e. \$153 million as a letter of guarantee. The contractual facility of TAV Istanbul includes the lease of devices, system and equipment of Istanbul Airport for a period of fifteen years and six months starting 3 July 2015. At the end of the contract period, TAV Istanbul will be responsible for one year for the maintenance and repair of the devices, system and equipment supplied for the contractual facilities. In case the necessary maintenance and repairs are not made, DHMI will have this maintenance and repair made, and the cost will be charged to TAV Istanbul;
- ◇ TAV Ege is obliged to give a letter of guarantee at an amount equivalent to €37 million to DHMI. During the contract period, TAV Ege should keep all the equipment it uses in a good condition and replace them if necessary. At the end of the contract period, all fixed assets covered by the concession agreement will be transferred to DHMI free of charge;
- ◇ TAV Milas Bodrum is obliged to give a letter of guarantee at an amount equivalent to €43 million to DHMI. During the contract period, TAV Milas Bodrum should keep all equipment it uses in a good condition and replace them if necessary. At the end of the contract period, all fixed assets covered by the concession agreement will be transferred to DHMI free of charge.

Main guarantees given to GACA (General Authority of Civil Aviation) in Saudi Arabia:

The Group is obliged as at 31 December 2017 to give a letter of guarantee at an amount equivalent of \$17 million (i.e. €14 million) to GACA according to the BTO agreement signed with GACA in Saudi Arabia, as well as a letter of guarantee equivalent of \$163 million (i.e. €136 million) to National Commercial Bank which is included in letters of guarantee given to third parties.

Guarantees given to the Ministry of State Property and Land Affairs in Tunisia:

TAV Tunisia is linked by the terms of the concession agreements related to the construction and operation of the Enfidha and Monastir Airports.

The Group is obliged to give a letter of guarantee at an amount equivalent of €15 million to the Ministry of State Property and Land Affairs and €9 million to OACA according to the BOT agreements and its amendments signed with OACA in Tunisia.

According to Enfidha and Monastir concession agreements, TAV Tunisia is required to maintain, repair, renew, operate and improve the land made available to it, infrastructures, buildings, facilities, equipment, networks and services necessary for the operation of both airports.

Furthermore, pursuant to project bank loans entered into by TAV entities, the following pledges were granted to their lenders:

- ◇ share pledge: TAV Esenboğa, TAV Ege, TAV Milas Bodrum, TAV Macedonia and TAV Tunisia have pledges over shares for an aggregate amount equivalent to €338 million. In case of default, the banks have the right to take control of the shares. Share pledges will expire after bank loans are paid or on the dates of maturity;
- ◇ receivable pledge: TAV Istanbul, TAV Esenboğa, TAV Ege, TAV Milas Bodrum and TAV Macedonia have pledges over receivables for an aggregate amount of €178 million. In case of event or default, the banks have the right to take control of the receivables;
- ◇ pledge over bank accounts: TAV Istanbul, TAV Esenboğa, TAV Ege, TAV Milas Bodrum and TAV Holding have pledges over bank accounts for an aggregate amount of €176 million. In case of event or default, the banks have the right to take control of the bank accounts.

NOTE 15 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 dispute is still under instruction at the Administrative Court of Appeal. 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 16 SUBSEQUENT EVENTS

The Group signed on 22 December a contract in view of an additional acquisition of shares of Airport International Group ("AIG"), concessionaire of Queen Alia International Airport in Amman, Jordan. The co-shareholders will be Meridiam, ASMA Capital Partners B.S.C. ©, acting in its capacity as investment manager for IDB Infrastructure Fund II and Edgo. This

transaction results in an investment of \$267 million and is subject to suspensive conditions including the Government of Jordan and AIG's Lenders consents. As at 31 December 2017, the Group holds 9.5% of AIG's shares via ADP International and consolidates its investment under equity method (see 4.9).

NOTE 17 AUDITOR'S FEES

The amounts of auditors' fees recorded are as follows:

(in thousands of euros)	As at 31 Dec. 2017		As at 31 Dec. 2016	
	DELOITTE	EY	DELOITTE	EY
Parent company	380	478	380	358
Fully consolidated subsidiaries	286	335	195	145
Audit, certification, inspection of individual and consolidated financial statements:	666	813	575	503
Parent company	36	15	4	111
Fully consolidated subsidiaries	15	58	79	135
Services other than certification:	51	73	83	246
TOTAL	717	886	658	749

Services other than the certification of accounts mainly concern:

- the services rendered by the statutory auditors related to acquisition and disposal projects by the Group;

the review of environmental, social and societal information;

- various certificates.

NOTE 18 COMPANIES WITHIN THE SCOPE OF CONSOLIDATION

The main changes in consolidation scope and in corporate name of Group entities for the year 2017 are described in note 3.2).

As at 31 December 2017, the list of companies within the scope of consolidation is as follows:

Entity	Address	Country	% stake	% control
Aéroports de Paris SA (Multi activities)	1 rue de France - 93290 Tremblay-en-France	France	PARENT	PARENT
FULLY CONSOLIDATED SUBSIDIARIES				
International and airport developments:				
ADP Ingénierie	Aéroport d'Orly Parc central Zone sud - Bâtiment 641 91200 Athis-Mons	France	100%	100%
ADPi Middle East	Immeuble Baz - Rue Sursock Beyrouth	Lebanon	100%	100%
ADPi Libya	El Nasser Street Tripoli	Libya	65%	65%
ADPi (Beijing) Architects and Engineers Design Co	ADPi Architects and Engineers Design Co, LTD Unit 1407A - No A302 Hua Teng Tower Jinsong 3 rd zone Chaoyang District Beijing	China	100%	100%
ADP International	1 rue de France - 93290 Tremblay-en-France	France	100%	100%
Jordan Airport Management	Ali Sharif Zu'bi Law Office PO Box 35267 Amman 11180	Jordan	100%	100%
ADPM Mauritius	C/o Legis Corporate Secretarial Services Ltd 3 rd Floor, Jamalacs Building, Vieux Conseil Street, Port-Louis	Mauritius	100%	100%
AMS - Airport Management Services (OSC)	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	78%	100%
Tank Holding Öw	Teinfaltstrasse 8/4 A-1010 Vienna, Austria	Austria	100%	100%
Tank Öwa Alpha Gmbh	Teinfaltstrasse 8/4 A-1010 Vienna, Austria	Austria	100%	100%
Tank Öwc Beta Gmbh	Teinfaltstrasse 8/4 A-1010 Vienna, Austria	Austria	100%	100%
TAV İstanbul Terminal İşletmeciliği A.Ş. ("TAV İstanbul")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy. İstanbul, Turkey	Turkey	46%	100%
TAV Esenboğa Yatırım Yapım ve İşletme A.Ş. ("TAV Esenboğa")	Esenboğa Havalimanı İç-Dış Hatlar Terminali 06750 Esenboğa Ankara, Turkey	Turkey	46%	100%
TAV Ege Terminal Yatırım Yapım ve İşletme A.Ş. ("TAV Ege")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy. İstanbul, Turkey	Turkey	46%	100%
TAV Milas Bodrum Terminal İşletmeciliği A.Ş. ("TAV Milas Bodrum")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy. İstanbul, Turkey	Turkey	46%	100%
TAV Tunisie SA ("TAV Tunisia")	Rue de la Bourse, Cité les Pins, Immeubles "Horizon", Bloc B, 3 ^{ème} étage, les Berges du Lac, 1053 Tunisia	Tunisia	31%	67%
TAV Urban Georgia LLC ("TAV Tbilisi")	Tbilisi International Airport, Tbilisi, Georgia, 0158	Georgia	37%	80%
TAV Batumi Operations LLC ("TAV Batumi")	Tbilisi International Airport, Tbilisi, Georgia, 0158	Georgia	35%	100%
TAV Macedonia Doel Petrovec ("TAV Macedonia")	Orce Nikolov 98, 1000 Skopje, Republic of Macedonia	Macedonia	46%	100%



Entity	Address	Country	% stake	% control
TAV Gazipaşa Alanya Havalimanı İşletmeciliği A.Ş. ("TAV Gazipaşa")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy, İstanbul, Turkey	Turkey	46%	100%
SIA TAV Latvia ("TAV Latvia")	RIGA Airport 10/1, Marupe district, LV 1053, Latvia	Latvia	46%	100%
Havaş Havaalanları Yer Hizmetleri A.Ş. ("HAVAŞ")	Yeşilköy Mah. Havaalanı Cad. No: 2/5 Bakırköy, İstanbul, Turkey	Turkey	46%	100%
Havas Latvia SIA ("HAVAŞ Europe")	Lidosta, Rīga, 10/1, Mārupes novads, LV-1053	Latvia	46%	100%
Havaalanları Yolcu Taşımacılığı A.Ş. ("HYT İzmir")	Atıfbey Mah. Prof.Dr.Türkan Saylan Cad. 11/2 Sk. No:23/B Gaziemir/İzmir	Turkey	46%	100%
Havaalanları Araç Kiralama ve Yolcu Taşımacılığı A.Ş. ("HYT Muğla")	Akyol Mah. Merkez Sk. No.241/1 Milas/Muğla	Turkey	46%	100%
Havaalanları Taşımacılık ve Ticaret A.Ş. ("HYT Samsun")	Çınarlık Mah. Havaalanı Kümesi No:6/1 Çarşamba, Samsun, Turkey	Turkey	46%	100%
BTA Havalimanları Yiyecek ve İçecek Hizmetleri A.Ş. ("BTA")	Atatürk Havalimanı Dış Hatlar Terminali Airport Hotel Yeşilköy, İstanbul, Turkey	Turkey	31%	67%
BTA Georgia LLC ("BTA Georgia")	Tbilisi International Airport Tbilisi, Georgia	Georgia	46%	100%
BTA Tunisie SARL ("BTA Tunisia")	Enfidha International Airport A 1 Motorway, 91st Km.Enfidha 4030 Tunisia	Tunisia	46%	100%
BTA Macedonia Dooel Petrovec ("BTA Macedonia")	Skopje Alexander The Great Airport 1043 Petrovec, Skopje, Macedonia	Macedonia	46%	100%
BTA Unlu Mamülleri Pasta Üretim Turizm Gıda Yiyecek İçecek Hizmetleri San. ve Tic. A.Ş. ("Cakes & Bakes")	Osmangazi Mah. 2647 SK. No:5 Esenyurt, İstanbul, Turkey	Turkey	46%	100%
BTA Tedarik Dağıtım ve Ticaret A.Ş. ("BTA Tedarik")	Osmangazi Mah. 2647 SK. No:5 Esenyurt, İstanbul, Turkey	Turkey	46%	100%
BTA Yiyecek İçecek İşletme Danışmanlık Ticaret A.Ş. ("BTA Danışmanlık")	Maslah Mah.Ayazağa Caddesi No:4A1 Sarıyer, İstanbul, Turkey	Turkey	46%	100%
SIA Cakes and Bakes Latvia ("BTA Latvia")	Velika Gorica, Ulica Rudolfa Fizira 1, Zagreb	Latvia	46%	100%
TAV İşletme Hizmetleri A.Ş. ("TAV İşletme")	Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy, İstanbul	Turkey	46%	100%
TAV Georgia Operation Services LLC ("TAV İşletme Georgia")	International Airport, Tbilisi, Georgia, Post Code:0158	Georgia	46%	100%
TAV Tunisie Operation Services SARL ("TAV İşletme Tunisia")	Rue de la Bourse, Cité les Pins, Immeubles "Horizon", Bloc B, 3ème étage, les Berges du Lac, 1053 Tunisia	Tunisia	46%	100%
TAV Tunisie Operation Services Plus SARL ("TAV İşletme Tunisia Plus")	Aéroport Enfidha-Hammamet. 4080 Sousse-Tunisie	Tunisia	46%	100%
TAV Macedonia Operation Services Dooel ("TAV İşletme Macedonia")	Skopje Alexander The Great Airport 1043 Petrovec, Skopje, Macedonia	Macedonia	46%	100%
TAV Germany Operation Services GmbH ("TAV İşletme Germany")	Neue Mainzer StraBe 22, 60311 Frankfurt Am Main	Germany	46%	100%
TAV Latvia Operation Services SIA ("TAV İşletme Latvia")	Starptautiskā lidosta Rīga 10/1, Mārupes novads, Rīga, LV-1053, Latvia	Latvia	46%	100%
TAV Havacılık A.Ş. ("TAV Havacılık")	Genel Havacılık Terminali Beşyol Sefaköy, İstanbul	Turkey	46%	100%

Entity	Address	Country	% stake	% control
TAV Africa Operation Services Ltd. ("TAV İşletme Kenya")	P.O.BOX 42279-00100 Panari Hotel Centre, First Floor Office No:12, LR.12918 Mombasa Road, Nairobi PIN:P051576403E	Kenya	46%	100%
TAV USA Operation Services Co. ("TAV İşletme America")	22648 Glenn Drive, Sterling VA 20164, Unit 101	United States	46%	100%
TAV Washington Operation Services Ltd. ("TAV İşletme Washington")	22648 Glenn Drive, Sterling VA 20164, Unit 101	United States	46%	100%
TAV Bilişim Hizmetleri A.Ş. ("TAV Bilişim")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy. İstanbul. Turkey	Turkey	46%	100%
TAV Information and Technologies Saudi Ltd. Company ("TAV IT Saudi")	Prince Mohammed Bin Abdulaziz Int. Airport P.O Box 4878, Al-Madinah Al Munawarah 42342 KSA	Saudi Arabia	46%	100%
TAV Özel Güvenlik Hizmetleri A.Ş. ("TAV Güvenlik")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy. İstanbul. Turkey	Turkey	46%	100%
TAV Akademi Eğitim ve Danışmanlık Hizmetleri A.Ş. ("TAV Akademi")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy. İstanbul. Turkey	Turkey	46%	100%
TAV Aviation Minds Eğitim ve Danışmanlık Hizmetleri A.Ş. ("TAV Aviation Minds")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy. İstanbul. Turkey	Turkey	24%	51%
Aviator Netherlands B.V. ("Aviator Netherlands")	Strawinskylaan 3127 1077 ZX Amsterdam Netherlands	Netherlands	46%	100%
TAV Uluslararası Yatırım A.Ş. ("TAV Uluslararası Yatırım")	İstanbul Atatürk Havalimanı Dış Hatlar Terminali 34149 Yeşilköy. İstanbul. Turkey	Turkey	46%	100%
BTA Uluslararası Yiyecek İçecek Hizmetleri Sanayi ve Ticaret A.Ş. ("BTA Uluslararası Yiyecek")	Atatürk Havalimanı Dış Hatlar Terminali Airport Hotel Yeşilköy, İstanbul	Turkey	46%	100%
BTA Erus Yiyecek İçecek Hizmetleri İnşaat ve Ticaret A.Ş. ("BTA Erus")	Atatürk Havalimanı Dış Hatlar Terminali Airport Hotel Yeşilköy, İstanbul	Turkey	32%	70%
UTB Lokum Şeker Gıda San. ve Tic. A.Ş. ("BTU Lokum")	Osmangazi Mah. 2647 SK. No:5 Esenyurt, İstanbul, Turkey	Turkey	26%	85%
UTB Gıda Satış ve Paz. A.Ş. ("BTU Gıda")	Osmangazi Mah. 2647 SK. No:5 Esenyurt, İstanbul, Turkey	Turkey	22%	70%
Other activities:				
Hub One	Continental Square, 2 place de Londres 93290 Tremblay-en-France	France	100%	100%
Hub One Mobility	5 route du Paisy 69570 Dardilly	France	100%	100%
ADP Invest	1 rue de France - 93290 Tremblay-en-France	France	100%	100%
ADP Invest 1	1 rue de France - 93290 Tremblay-en-France	France	100%	100%
Retail and services:				
Média Aéroports de Paris	17 rue Soyier 92200 Neuilly sur Seine	France	50%	50%
Real estate:				
Cœur d'Orly Investissement	Orlytech - Bat. 532 5 allée Hélène Boucher 91550 Paray Vieille-Poste	France	100%	100%
Cœur d'Orly Commerces Investissement	Orlytech - Bat. 532 5 allée Hélène Boucher 91550 Paray Vieille-Poste	France	100%	100%
ADP Immobilier Tertiaire	1 rue de France - 93290 Tremblay-en-France	France	100%	100%
ADP Immobilier	1 rue de France - 93290 Tremblay-en-France	France	100%	100%
Ville Aéroportuaire Immobilier 1	1 rue de France - 93290 Tremblay-en-France	France	100% ¹	100%
ADP Immobilier Industriel	Orlytech - Bat. 532 5 allée Hélène Boucher 91550 Paray Vieille-Poste	France	100%	100%



Entity	Address	Country	% stake	% control
Aéroports de Paris Investissement Nederland Bv	Locatellikade 11076AZ Amsterdam	Netherlands	100%	100%
SCI ROMEO	1 rue de France - 93290 Tremblay-en-France	France	100%	100%
SAS HOTEL RO 3	1 rue de France - 93290 Tremblay-en-France	France	100%	100%

Aviation:

Fondation d'entreprise Aéroports de Paris	1 rue de France - 93290 Tremblay-en-France	France	100%	100%
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CO-ENTREPRISE (integrated up to Group's share of balance sheet and profit & loss)

Other activities:

CDG Express Etudes	1 rue de - 93290 Tremblay-en-France	France	33%	33%
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¹ 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
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ASSOCIATES (operating entities)

International and airport developments:

Schiphol Group	Evert van de Beekstraat 202 1118CP Luchthaven Schiphol	Netherlands	8%	8%
MZLZ Retail Ltd	Ulica Rudolfa Fizira 110150 Velika Gorica Croatie	Croatia	50%	50%
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%
Zaic-A Limited	1 Park Row, Leeds, LS1 5AB, United Kingdom	United Kingdom	28%	36%
Upravitelj Zračne Luke Zagreb	Ulica Rudolfa Fizira 110150 Velika Gorica Croatie	Croatia	28%	36%
Međunarodna Zračna Luka Zagreb	Ulica Rudolfa Fizira 110150 Velika Gorica Croatie	Croatia	28%	36%
Consorcio PM Terminal Tocumen SA	Terminal Sur S.A. AV Domingo DIAZ Panama, Rep. De Panama	Panama	36%	36%
Ravinala Airports	Escalier C, Zone Tana Water Front - Ambodivona 101 Antananarivo, Madagascar	Madagascar	35%	35%
ATU Turizm İşletmeciliği A.Ş. ("ATU")	Büyükdere Cad.Bengün Han No:107/8 Gayrettepe - İstanbul	Turkey	23%	50%
ATU Georgia Operation Services LLC ("ATU Georgia")	TBILISI INTERNATIONAL AIRPORT, Georgia	Georgia	23%	50%
ATU Tunisie SARL ("ATU Tunisie")	AEROPORT INTERNATIONAL ENFIDHA- HAMMAMET Autoroute AL KM 91 Enfidha 4080 Sousse	Tunisia	23%	50%
ATU Macedonia Doel ("ATU Macedonia")	SKOPJE 'ALEXANDER THE GREAT' AIRPORT 1043 Petrovec Macedonia	Macedonia	23%	50%
AS Riga Airport Commercial Development ("ATU Latvia")	MARUPES NOV.LIDOSTA Riga 10/1 LV-1053 Latvia	Latvia	23%	50%
Tunisia Duty Free S.A. ("ATU Tunisia Duty Free")	Rue du Lac Toba-Immeuble-Bougassass-Les Berges du Lac 1053	Tunisia	7%	40%
Saudi ATU Trading Limited Co. ("ATU Medinah")	Prince Muhammad Bin Abdul Aziz International Airport/Madina, K.S.A	Saudi Arabia	23%	50%
ATU Americas LLC ("ATU America")	1704 Rankin Rd, Suite 110, Houston, USA	United States	17%	37%
ATU Mağazacılık İşletmeleri A.Ş. ("ATU Mağazacılık")	Büyükdere Cad.Bengün Han No:107/8 Gayrettepe - İstanbul	Turkey	23%	50%

Entity	Address	Country	% stake	% control
ATU Uluslararası Mağaza Yiyecek ve İçecek İşletmeciliği A.Ş. ("ATU Uluslararası Mağazacılık")	Büyükdere Cad.Bengün Han No:107/8 Gayrettepe - İstanbul	Turkey	24%	51%
ATU Holdings, Inc. ("ATU Holdings")	1704 Rankin Rd, SUITE 110, Houston, USA	United States	17%	38%
TAV Gözen Havacılık İşletme ve Ticaret A.Ş. ("TAV Gözen")	Atatürk Havalimanı 34149 Yeşilköy/İstanbul	Turkey	15%	32%
TGS Yer Hizmetleri A.Ş. ("TGS")	İstanbul Dünya Ticaret Merkezi A3 Blok Kat:6 Yeşilköy Bakırköy /İstanbul	Turkey	23%	50%
SAUDI HAVAŞ Ground Handling Services Limited ("SAUDI HAVAŞ")	Prince Mohammed bin Abdul Aziz International Airport Po box 42342/4878 Medina, KSA	Saudi Arabia	31%	67%
BTA Denizyolları ve Limanları Yiyecek ve İçecek Hizmetleri Tic. A.Ş. ("BTA Denizyolları")	Kennedy Cad.Hızlı Feribot iskelesi YeniKapı-Fatih/ İstanbul	Turkey	23%	50%
Saudi BTA Airports Food And Beverages Serv.Ltd. ("BTA Medinah")	Imam Saud Bin Migren St. Opposite of Imam university gate no 1 P.O B. 18927, Riyadh 11425/KSA	Saudi Arabia	31%	67%
BS Kahve Yiyecek ve İçecek Hizmetleri A.Ş. ("BS Kahve")	Atatürk Havalimanı Dış Hatlar Terminali Hava Tarafı Asma Kat No:ML3101 Yeşilköy, İstanbul	Turkey	28%	60%
Tibah Airports Development Company CJSC ("Tibah Development")	Prince Mohammed Bin Abdulaziz Int. Airport P.O Box 21291, AlMadinah Al Munawarah 41475	Saudi Arabia	15%	33%
Tibah Airports Operation Limited ("Tibah Operation")	Prince Mohammed Bin Abdulaziz Int. Airport P.O Box 21291, AlMadinah Al Munawarah 41475	Saudi Arabia	24%	33%
Primeclass Pasifico JSV. ("TAV İşletme Chile")	AV.NUEVA COSTANERA, Nro. 3698, Depto: 603, Comuna: VITACURA, Ciudad: Santiago	Chile	23%	50%
TAV Operation Services Saudi Arabia LLC. ("TAV İşletme Saudi")	PO Box 4878, Postal code 42342, Prince Mohammad bin Abdulaziz International Airport/Medina	Saudi Arabia	31%	67%
Madinah Airport Hotel Company ("Medinah Hotel")		Saudi Arabia	15%	33%
Airport International Group P.S.C («AIG»)	P.O. Box 39052 Amman 11104 Jordan	Jordan	10%	10%
Airport Terminal Operations LTD («ATOL»)	SSR INTERNATIONAL AIRPORT Plaine Magnien	Jordan	10%	10%
Société de gestion et d'exploitation de l'aéroport de Conakry («SOGECAC»)	Aéroport de Gbessia, B.P 3126 Conakry République de Guinée	Mauritius	29%	29%
Real estate:				
Transport Beheer	Haarlemmermeer de Beekstraat 314 1118CX Schiphol airport	Netherlands	40%	40%
Transport CV	Haarlemmermeer de Beekstraat 314 1118CX Schiphol airport	Netherlands	40%	40%
SCI Cœur d'Orly Bureaux	8 avenue Delcasse 75008 Paris	France	50%	50%
SNC Cœur d'Orly Commerces	8 avenue Delcasse 75008 Paris	France	50%	50%
SCI Heka Le Bourget	151 boulevard Haussmann – 75008 Paris	France	40%	40%
SAS Chenue Le Bourget	151 boulevard Haussmann – 75008 Paris	France	40%	40%
Retail and services:				
Société de Distribution Aéroportuaire	114 avenue Charles de Gaulle 92200 Neuilly-sur-Seine	France	50%	50%
RELAY@ADP	55 rue Deguingand 92300 Levallois Perret	France	50%	50%



Entity	Address	Country	% stake	% control
ADPLS Présidence	1 rue de France - 93290 Tremblay-en-France	France	50%	50%
EPIGO Présidence	3 place de Londres - bâtiment Uranus - Continental Square 1 - Aéroport Roissy Charles de Gaulle - 93290 Tremblay en France	France	50%	50%
EPIGO	3 place de - bâtiment Uranus - Continental Square 1 - Aéroport Roissy Charles de Gaulle - 93290 Tremblay en France	France	50%	50%
Other activities:				
Egidium	114 avenue Charles de Gaulle 92200 Neuilly-sur-Seine	France	20%	20%
Safety Line	12 Rue Clavel, 75019 Paris	France	12%	12%
ASSOCIATES (non-operating entities)				
Real estate:				
SCI Roissy Sogaris	Avenue de Versailles RN 186 94150 Rungis	France	40%	40%
International and airport developments:				
Liège Airport ¹	Aéroport de Bierset 4460 Grâce-Hollogne	Belgium	26%	26%
Other activities:				
Hub Safe	Roissypole - Le Dôme 4 rue de la Haye 93290 Tremblay-en-France	France	20%	20%
Alacrité	299 boulevard de Leeds - World Trade center Lille Services SAS espace International - 59777 Euralille	France	22%	22%

¹ Note manquante.

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
INVESTMENTS IN COMPANIES NOT RELEVANT TO THE SCOPE (without activity or negligible activity)				
International and airport developments:				
ADPM 2	For airport operations	France	100%	ADP International
ADPM 3	For airport operations	France	100%	ADP International
Philippines Airport Management Company	For airport operations	France	50%	ADP International
Matar	Operating contract of the Hadj terminal in Djeddah	Saudi Arabia	5%	ADP International
Other activities:				
CCS France	Computer programming	France	20%	Aéroports de Paris SA
BestMile	Experimentation of autonomous vehicle	Suisse	8%	ADP Invest
Cargo Information Network France	Computer programming	France	50%	CCS France
IDF Capital	Capital risk in Ile-de-France	France	1%	Aéroports de Paris SA
Civipol Conseil	Promotion of the Ministry of Interior skills	France	1%	Aéroports de Paris SA
PACIFA	Software company	France	12%	Aéroports de Paris SA
Pole Star	Engineering, technical studies	France	11%	Hub One
Bolloré Télécom	Telecommunications	France	2%	Hub One
SoftToGo	Portage of software	Argentina	95%	Hub One Mobility

20.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the financial statements of the Group issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Aéroports de Paris annual general meeting,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Aéroports de Paris for the year ended December 31, 2017.

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 of December 31, 2017 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.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' responsibilities for the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit in compliance with independence rules applicable to us, for the period from January 1, 2017 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics for statutory auditors.

Justification of assessments - Key Audit Matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period, as well as our responses to those risks.



These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific elements, accounts or items of the consolidated financial statements.

Acquisition of TAV Airports and allocation of the acquisition price

(see note 2.1 "Increase in the ADP Group interest in TAV Airports")

Risk identified

The ADP Group has acquired an additional interest of 8.12% in TAV Havalimanları Holding A.Ş. ("TAV Airports") on July 7, 2017, for €140 million, increasing its total interest from 38% to 46.12%. As of this date, the Group assumed de facto control of TAV Airports based on (i) legal and accounting analyses of the shareholders' agreement with the main minority shareholders, which grants the Group the ability to make relevant decisions regarding TAV Airports and (ii) the dispersal of share ownership. TAV Airports, previously accounted for using the equity method, has been fully consolidated since July 7, 2017.

As described in note 2.1, this transaction was reflected in the financial statements by (i) a fair value remeasurement of securities previously held, generating a capital gain of €63 million in profit or loss, and (ii) the fair value recognition of the assets acquired and liabilities assumed from TAV Airports (net assets of €674 million) and provisional goodwill (€113 million). The Group has a deadline of twelve months as of the acquisition date, to adjust the value of the assets acquired and liabilities assumed from TAV Airports.

We considered this transaction as a key audit matter due to (i) the assessment of the de facto control that resulted in the full consolidation of TAV Airports in the ADP Group financial statements, (ii) the importance of the assets acquired and liabilities assumed and the significant contribution of TAV Airports, and (iii) the use of estimates to record the fair value of the assets acquired and liabilities assumed, particularly to value the intangible assets relating to the Istanbul Atatürk concession and the airport operating rights.

Response as part of our audit

The work we conducted mainly consisted in:

- ◆ examining the clauses of the shareholders' agreement and the analyses of the ADP Group's legal counsel, in order to assess the Group's control analysis with respect to the IFRS 10 criteria determining the de facto control of TAV Airports;
- ◆ examining the appropriateness of the methodology adopted to identify the assets acquired and liabilities assumed and their fair value measurement, with the help of the valuation experts on our audit team, and specifically assessing the assumptions adopted to value the intangible assets relating to the Istanbul Atatürk concession and the airport operating rights, specifically (i) the estimate of concession terms, (ii) the discount rate, (iii) the investments, and (iv) the change in traffic, revenue and results.

Valuation of intangible assets arising from a service concession agreement

(see note 6.1.1 "Airport concession operating rights")

Risk identified

As of December 31, 2017, the Group held €1,980 million in intangible assets relating to airport concession operating rights (approximately 14% of total assets as of December 31, 2017).

Note 6.1.1 describes the methods used to record airport concession operating rights in intangible assets, and those adopted for their amortization.

As described note 6.4, the Group conducts impairment tests on the intangible assets relating to airport concession operating rights when there are indications of impairment. The criteria adopted by the Group to determine the existence of impairment loss indicators include under performance in relation to forecasts, a decrease in traffic or a significant change in market data. Note 6.1.1 indicates that impairment tests were conducted as of December 31, 2017 following the identification of impairment loss indicators for the rights to operate the Milas-Bodrum, Monastir and Enfidha International airports, due in particular to lower traffic. Based on these tests, no impairment loss was recognized in relation to the fair values of these rights recognized as part the TAV Airports acquisition price allocation.

We considered the valuation of intangible assets arising from a service concession agreement as a key audit matter due to (i) their material value in the Group's financial statements, (ii) the traffic assumptions and concession terms used to calculate depreciation and amortization, (iii) the management judgments necessary to identify impairment loss indicators, and (iv) the assumptions adopted to measure their value in use, particularly in regard to traffic forecasts and business plans, where applicable.

Response as part of our audit

We examined the compliance of the methodology used to calculate depreciation and amortization with the corresponding policies in the notes to the consolidated financial statements, and recalculated the net value of the underlying assets.

We also:

- ◆ corroborated the absence or existence of impairment loss indicators at the closing by the change in actual traffic versus forecast traffic and by comparing the actual results of airport concessions compared to budgets;
- ◆ where applicable, compared the assumptions used for the impairment tests with the items presented in the concession agreements and the available market data; examined the analyses of management's sensitivity analyses covering the main traffic assumptions and the discount rates, for which we assessed the appropriateness and verified the calculation methods; and tested by sampling the arithmetical accuracy of the valuations adopted by the Group.

Valuation of property, plant, equipment

(see note 6.2 "Property, plant, equipment")

Risk identified

As of December 31, 2017, the net carrying amount of property, plant, equipment is €6,793 million (or 48% of total assets), mainly driven by Aéroports de Paris SA.

Under the 2016-2020 Economic Regulation Agreement (ERA) signed with the French State, the Group is pursuing an investment program within the regulated scope that must meet a €2,978 million investment budget over the period, as well as a timetable constraint.

The assets are depreciated according to the methods set out in the notes to the financial statements. Useful lives are re-evaluated at each year-end based on the investment and continuation program for existing assets, so that they reflect the estimated useful lives.

We considered the valuation of property, plant, equipment as a key audit matter due to (i) the significant value of property, plant, equipment in the Group's financial statements, and (ii) the management judgments necessary to estimate the useful life of depreciable assets, which involves a specific and complete identification of assets whose renewal is planned in the short-to-medium term.

Response as part of our audit

The procedures we performed mainly consisted in:

- ◇ obtaining an understanding of the internal control procedures relating to the estimate of the useful life of depreciable assets and the identification of assets whose renewal is planned in the short-to-medium term;
- ◇ testing the effectiveness of key controls relating to these procedures, including controls covering depreciation terms supported by the dedicated IT application, with the help of an information system specialist in our audit team.
- ◇ Using samples, we also:
 - ◇ compared the useful lives applied with the estimated useful lives, as resulting from the investment and continuation program for existing assets;
 - ◇ examined the accounting documentation for the assets whose depreciation term changed over the year;
 - ◇ conducted a critical analysis of the residual values of assets likely to be replaced under the 2016-2020 investment program.

Fair value measurement of investment property

(see note 6.3 "Investment property")

RISK IDENTIFIED

The ADP Group recognizes its investment property in assets at historical cost less accumulated depreciation and amortization and any impairment losses (for a net carrying amount of €476 million as of December 31, 2017) and presents the fair value of its buildings in note 6.3 to the consolidated financial statements (€2,433 million as of December 31, 2017).

Note 6.3 specifies that the fair value of investment property is based on a value appraised by independent real estate appraisal firms for nearly 99% of its total value, land reserves being appraised internally.

The measurement of the fair value of a property asset requires significant judgments on the part of management, with the help of independent real estate appraisal firms, to determine the appropriate assumptions, mainly concerning discount or capitalization rates, market rental values and specific benefits granted to tenants.

We considered the measurement of the fair value of investment property as a key audit matter due to (i) the material value presented in the notes to the consolidated financial statements, and (ii) the significant portion of management judgments to determine the value.

RESPONSE AS PART OF OUR AUDIT

The work we conducted, with the help of a real estate specialist in our audit team, mainly consisted in:

- ◇ assessing the competency and independence of the real estate appraisal firms selected by the Group, particularly in regard to their professional qualifications;
- ◇ examining the existence and quality of the management analyses covering the appraisals conducted by the real estate appraisal firms;

- ◇ meeting with the real estate appraisal firms to understand and assess the appropriateness of the estimates, assumptions and valuations methodologies used;
- ◇ based on sampling, comparing the data used in the appraisal process with the existing documentation, such as lease contracts or the information provided by management to their real estate appraisal firms;
- ◇ corroborating, for the main investment properties, the changes in fair values observed over the year via the change in key assumptions described above;
- ◇ examining the information disclosed in note 6.3 to the consolidated financial statements.

Valuation of revenue related to airport safety and security

(see notes 4.2 and 5.1 "Revenue")

Risk identified

In 2017, revenue related to airport safety and security amounted to €487 million.

Aéroports de Paris SA receives revenue within the context of its public service mission in France for security, air transport safety, rescue and aircraft firefighting (hereinafter "security missions"). This revenue covers the costs incurred in these missions. It is paid by the Direction Générale de l'Aviation Civile (DGAC), which funds it through the airport security tax levied on airline companies. This revenue is recognized as the estimated costs eligible for reimbursement by the DGAC are incurred.

The ADP Group uses allocation keys to determine which costs have been incurred with respect to these missions, as certain types of cost may not be exclusive to the missions, specifically certain leasing expenses, certain depreciation, amortization and maintenance charges, and taxes and income taxes.

We considered the valuation of revenue related to airport safety and security to be a key audit matter given the amounts at issue, and the fact that it is based on the reliability of the analytical allocation of costs incurred.

Response as part of our audit

The work we conducted mainly consisted in:

- ◇ obtaining an understanding of the internal control system for the chain of costs incurred with respect to security missions, ranging from the conclusion of supplier contracts to invoice payment;
- ◇ Examining the methods used to allocate security mission costs, with the help of an information system specialist in our audit team.
- ◇ We also:
 - ◇ for each type of cost, assessed the difference between the year's actual cost, the budget and the comparative period, including by means of the ADP Group's analyses;
 - ◇ conducted a critical analysis of the security mission costs recorded for the airport safety and security scope by verifying, based on a sample, their eligibility for refunding by the DGAC, as defined in the applicable regulations.



Specific verification concerning the Group presented in the management report

As required by French law, we have also verified in accordance with professional standards applicable in France the information concerning the Group presented in the Board of Directors' management report.

We have no matters to report as its fair presentation and its consistency with the consolidated financial statements.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

Deloitte & Associés and Ernst & Young Audit were appointed as statutory auditors of Aéroports de Paris S.A. by the Shareholders' Meeting of May 18, 2015.

As of December 31, 2017, Deloitte & Associés and Ernst & Young Audit were both in their 3rd year of uninterrupted engagement.

Ernst & Young et Autres and Ernst & Young Audit, members of the EY international network, previously served as statutory auditors from 2009 to 2014 and 2003 to 2008, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Group or to cease its operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements have been approved by the Board of Directors.

Auditor's responsibilities for the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Group or the quality of management of the affairs of the Group.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit, and furthermore:

- ◆ identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ◆ obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- ◆ evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- ◆ assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Group to cease to continue as a going concern. If we conclude that a material uncertainty exists, we draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, we modify our opinion;
- ◆ evaluates the overall presentation of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ◆ obtains sufficient appropriate audit evidence regarding the financial information of the entities included in the consolidation scope to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which

are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, March 6, 2018

The Statutory Auditors

French original signed by

Deloitte & Associés

ERNST & YOUNG Audit

Christophe Patrier

Olivier Broissand

Jacques Pierres

Alban de Claverie



20.3 COMPANY FINANCIAL STATEMENTS AND NOTES OF AÉROPORTS DE PARIS SA AT 31 DECEMBER 2017

// INCOME STATEMENT

<i>(in millions of euros)</i>	Notes	2017	2016
Revenue	5.1	2,820	2,744
Changes in finished goods inventory	5.2	(2)	6
Capitalised production	5.3	61	56
Reversal of provisions and expense transfers	5.8	42	46
Operating subsidies		1	2
Other operating income	5.4	29	14
Operating income		2,951	2,868
Purchases and external expenses	5.5	(832)	(818)
Taxes other than income taxes	5.6	(247)	(251)
Employee benefit costs	5.7	(590)	(585)
Other operating expenses		(24)	(24)
Depreciation, Amortisation and provision	5.8	(477)	(471)
Operating expenses		(2,170)	(2,148)
Operating income		781	719
Financial income		141	70
Financial expenses		(151)	(143)
Financial income	5.10	(10)	(72)
Income before tax		771	648
Extraordinary income		130	120
Extraordinary expenses		(150)	(132)
Extraordinary income	5.11	(20)	(12)
Employees' profit sharing	5.12	(22)	(22)
Income taxes	5.9	(223)	(214)
NET INCOME		506	399

// ASSETS

(in millions of euros)	Notes	As at 31 Dec. 2017			As at 31 Dec. 2016
		Gross Amount	Amortization or depreciation	Net amount	
Intangible assets	6.1	265	(202)	63	59
Property, plant and equipment	6.1	11,933	(6,012)	5,921	5,787
Fixed assets in progress	6.1	998	-	998	792
Advances and deposits	6.1	23	-	23	37
Financial assets	6.2	1,483	(50)	1,433	1,363
I - Fixed assets		14,702	(6,264)	8,438	8,038
Inventories		15	-	15	16
Advances and deposits		3	-	3	16
Trade receivables	6.3	420	(16)	404	441
Other receivables	6.3	316	(8)	308	127
Marketable securities	6.4	1,404	-	1,404	1,566
Cash	6.4	117	-	117	63
Prepaid expenses	6.5	28	-	28	15
II - Current assets		2,302	(24)	2,277	2,244
III - Bond redemption premiums	6.6	15	-	15	15
IV - Translation adjustments - Assets		-	-	-	4
TOTAL ASSETS		17,020	(6,288)	10,733	10,301

// LIABILITIES

(in millions of euros)	Notes	As at 31 Dec. 2017	As at 31 Dec. 2016
Share capital		297	297
Premiums		543	543
Revaluation difference		23	24
Reserves and retained earnings		2,061	1,922
Profit/loss for the period		506	399
Interim dividend		(70)	(69)
Investment grants		49	43
Regulated provisions		1,173	1,140
I - Equity	6.7	4,583	4,298
II - Provisions	6.8	431	434
Financial debt	6.9	4,806	4,446
Trade payables and related accounts	6.10	126	181
Tax and employee-related liabilities	6.10	250	261
Debts on fixed assets and other liabilities	6.11	373	523
Deferred income	6.5	162	158
III - Debts		5,717	5,569
IV - Bond redemption premiums		-	-
V - Translation adjustments - Liabilities		-	-
TOTAL LIABILITIES		10,733	10,301



// CASH FLOW STATEMENT

<i>(in millions of euros)</i>	Notes	2017	2016
Operating income		781	719
Net depreciation and provisions for liabilities and expenses		439	439
Financial income and expenses (excluding debt)		(8)	8
Change in working capital	7.1	3	(79)
Tax expenses paid minus tax received		(276)	(221)
Cash flows from operating activities		940	867
Disposals of holdings		1	3
Acquisition of holdings	6.2	(50)	(9)
Purchase of property, plant, equipment and intangible assets	6.1	(791)	(774)
Change in other financial assets	6.3	(144)	(6)
Proceeds from sales of fixed assets (net of the change in receivables)		36	27
Dividends received	5.10	87	32
Change in debt and advances on asset acquisitions		(47)	29
Cash flows from investing activities		(908)	(698)
Capital called but unpaid		-	-
Capital grants received in the period		6	15
Net disposal (purchase) of treasury shares		-	12
Dividends paid	6.7	(261)	(258)
Proceeds from long-term debt	6.9	504	7
Repayment of long-term debt	6.9	(142)	(4)
Change in other financial liabilities	6.11	(130)	93
Net financial interest paid		(105)	(109)
Cash flows from financing activities		(128)	(244)
CHANGE IN CASH AND CASH EQUIVALENTS		(97)	(75)
Cash at opening		1,617	1,692
Cash at closing	7.3	1,520	1,617

Notes to the Company financial statements

// DETAILED SUMMARY OF THE NOTES TO THE COMPANY FINANCIAL STATEMENTS

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NOTE 1 DESCRIPTION OF ACTIVITY

Aéroports de Paris, public limited company since 2005 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 mission is governed by an "Economic Regulation Agreement" signed with the State. The current contract is in force for the period of 2016-2020;

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 and operation) in France and abroad.

See Note 4.4 Revenues

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 SA has implemented a centralised cash management system. Its subsidiaries integrate the system, in compliance with the regulations in force. Under this system, Aéroports de Paris SA has entered into cash pooling agreements with its main subsidiaries. These cash pooling agreements provide for the pooling of euro and dollar accounts under centralising euro and dollar accounts, respectively. 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 cash surplus.



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 rate 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

Agreement with FedEx

As part of the “Extension 2 Project”, FedEx informed Groupe ADP its desire of developing a European Hub. This project resulted in several agreements providing for:

- ◆ a lease for the construction, by a third party, of an additional sorting building;
- ◆ the extension of existing leases until 5 September 2048;
- ◆ leases of new storage areas.

The contractual terms provide for an indemnity in case of early termination by Fedex in favor of Aéroports de Paris SA covering the entirety of the remaining rent until the initial term expires.

Sale of 80% of Hub Safe

On 29 September 2017, Groupe ADP completed the sale of its 80% interest in Hub Safe, a subsidiary specialised in airport security, to Groupe Samsic after obtaining the necessary regulatory approvals. Groupe ADP still holds a 20% stake in Hub Safe. The shareholders' agreement provides for the continuation of Hub Safe's current contracts with Aéroports de Paris SA until 2024.

This sale led to the recognition of a capital gain of €27 million after reduction of the sale costs.

New organisational structure of ADP SA's subsidiaries in three new segments

- ◆ innovation, with the creation of ADP Invest 1;
- ◆ international, with the acquisition of TAV Airports and its subsidiary Tank Owa alpha GmbH;
- ◆ Real estate, with Aéroports de Paris's transfer of shares in ADP Immobilier Tertiaire and DDP Immobilier Industriel to its subsidiary ADP immobilier (see Note 6.2 Financial assets).

The steering of international activities, with ADP International

In 2017, ADP Group consolidated the management of its international activities under the same entity, ADP International (formerly ADP Management) Aéroports de Paris SA thus transferred its shares in ADP Ingénierie to ADP International (cf. Notes 6.2 “Financial Assets”).

Funding

In January 2017, Aéroports de Paris SA repaid €135 million on a loan with a nominal value of €186 million (denominated in CHF of 200 million), which had become due. In December 2017, Aéroports de Paris SA issued a bond for an amount of €500 million. This issuance bears interest at 1% and reaches maturity on 13 December 2027. The net proceeds from the bond issue are intended to finance investments

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. (Applicable to fiscal years opened as from 1st January 2016) and ANC 2015-05 (applicable as from the financial year opened on 1st January 2017 – See Note 4.2).

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 1st 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.

Regulation No. 2015-05 of 2 July 2015, applicable to the annual financial statements as from the financial year opened on 1st January 2017, supplemented the current provisions of the French PCG relating to futures contracts and hedging obligations. This regulation has no significant impact on Aéroports de Paris SA. (See Note 6.9 “Financial debts”).

The other methods used are identical and comparable to the previous fiscal year.

4.3 Basis of valuation used in preparing the financial statements

The preparation of the financial statements requires management to use their own judgment, make estimations and assumptions that affect the book value of certain assets, liabilities, income and expenses or the information mentioned in the annexed notes.

These estimations and assumptions are made on the basis of past experience and information or situations existing at the date of the accounts. Depending on the evolution of these assumptions and situations, the estimated amounts in the accounts may differ from the actual values.

Such estimates and assumptions used for the preparation of the financial statements concern essentially:

- ◆ evaluation of the recoverable value of long-term assets (cf. Note 4.7, 6.1 and 6.2);
- ◆ pension plans, termination benefits and other post-employment benefits (cf. Note 4.16 and 6.8);
- ◆ provisions for risks and litigation (cf. Note 4.16 and 6.8).

4.4 Revenues

Aéroports de Paris 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. In the event that the investment plan is not complied with (see Note 6.2 "property, plant and equipment/tangible assets") 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. The Group carries out an analytical allocation of its costs in order to determine those incurred for its missions, some of which may not be exclusive to these missions, especially certain depreciation and maintenance expenses, certain rental expenses and taxes other than income taxes.

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.

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.

4.5 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.

As part of the 2016-2020 ERA signed with the State, the Group is pursuing an investment program in the regulated scope (see Note 4.3 "Revenue – Airport Fees", which defines the "regulated" scope and which must respond both to the effective implementation of an investment envelope of €2,945 million over the period but also to an investment schedule.



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

The useful lives are reviewed at each closing on the basis of the program of investment and rehabilitation of existing assets, so that they reflect the expected useful lives.

for these to reflect the expected duration of use.

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.

4.6 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 1st 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.

4.7 Depreciation of long-term assets

At each closing date, Aéroports de Paris determines whether there is an index showing that an asset may have lost significant value. Where there is an indication of depreciation, an impairment test is performed as follows:

- ◆ Aéroports de Paris measures any depreciation of long-term assets by comparing the book value of the assets, regrouped in asset groups if applicable, with their recoverable value, which is generally calculated through the net current value of future cash flow method. When this

recoverable amount is significantly lower than the value entered in the balance sheet, a depreciation is recognised for the difference in "Depreciation";

- ◆ the discount rates used for these purposes are based on the Weighted Average Cost of Capital for each of the assets or asset groups in question;
- ◆ the future cash flows are established on the basis of the assumptions validated by the Management.

4.8 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.

4.9 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.).

4.10 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.

4.11 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.

4.12 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".

4.13 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.

4.14 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.

4.15 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.

4.16 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

The Company's net obligation for 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 invested. 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.

(see Note 8 "Off-balance sheet commitments and contingent liabilities")

4.17 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.

4.18 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

The segment information below is presented in accordance with the internal reporting and the sector benchmarks presented to the Group's Chief Operating Officer:

(in millions of euros)	Activities			2017	2016
	Aviation	Retail and services	Real estate		
Airport fees	1,056	-	-	1,056	1,003
Revenue from airport safety and security services	487	-	-	487	480
Retail activities	-	440	2	442	432
Rental income	27	109	188	324	326
Ancillary fees	230	13	-	243	232
Car parks and access roads	-	171	-	171	175
Industrial services revenue	-	41	-	41	42
Other revenue	16	29	11	56	54
TOTAL	1,816	803	201	2,820	2,744

Turnover increased by +2.7% (+€76 million) in 2017 and amounts to €2,820 million. This increase is mainly explained by:

- ◇ an increase in airport fees (+€53 million), due to a rise in passenger traffic (+4.7% compared to last year) and a favorable mix effect;
- ◇ an increase in Ancillary fees, which increased by €11 million, which are attributed in particular to airplane deicing (+€5 million) due to climatic conditions early in the year and the PMR fees (+€5 million) connected to the rise in passenger traffic (+4.7%);
- ◇ an increase in commercial activities (+€10 million), and particularly shops before customs (+€5 million) and bars and restaurants (+€4 million), fueled by good traffic momentum;

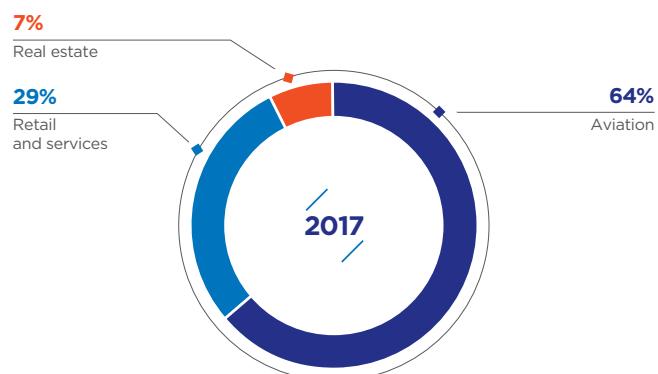
- ◇ a rise in the RLSSA (+€7 million) due to an increase in sub-contracting (+€8 million).

This increase is offset by:

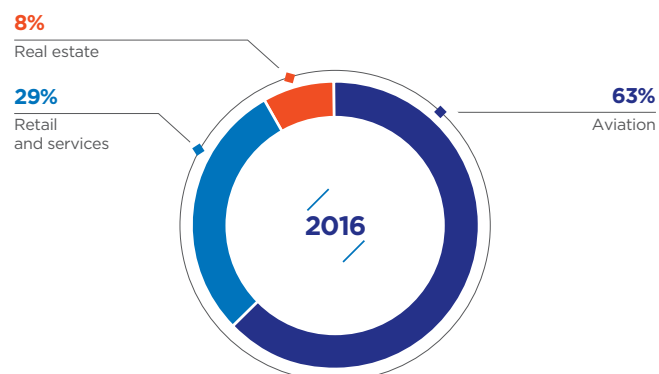
- ◇ a decrease in car parks income (-€4 million) due to a drop in ticket prices and lower activity;
- ◇ a decrease in rental income (-€2 million);
- ◇ a decrease in industrial services revenue (-€1 million) especially in the thermal and cooling segments.

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Breakdown of revenue 2017



Breakdown of revenue 2016



5.2 Changes in finished goods inventory

Engineering studies transferred to inventories amount to -€2 million. This is mainly explained by the recognition of study fees in Revenue.

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>	2017	2016
Capitalised production	61	56

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 Other operating income

<i>(in millions of euros)</i>	2017	2016
Other	26	12
Penalties received	3	3
TOTAL OTHER OPERATING INCOME	29	14

The other operating incomes mainly concern:

- ◇ the benefits received by CDG Express Etudes for €8 million and by Société du Grand Paris for €7 million for the works carried out on the site of Aéroports de Paris;
- ◇ a business tax relief for €9 million.



5.5 Purchases and external expenses

<i>(in millions of euros)</i>	2017	2016
Electricity	(26)	(25)
Water, gas and fuel	(12)	(12)
Operational supplies and small-format equipment	(12)	(11)
Other consumables	(15)	(19)
Consumables	(65)	(67)
General sub-contracting	(478)	(459)
♦ Security	(230)	(223)
♦ Cleaning	(74)	(73)
♦ Transport	(34)	(29)
♦ Other	(141)	(134)
Maintenance and repairs	(134)	(130)
Post and communication costs	(30)	(29)
Insurance	(11)	(13)
Remuneration of intermediaries and fees	(25)	(25)
Advertising, publications, public relations	(31)	(35)
Rental and leasing expenses	(18)	(18)
External personnel	(6)	(10)
Other external expenses	(34)	(32)
External expenses	(767)	(751)
TOTAL PURCHASES AND EXTERNAL EXPENSES	(832)	(818)

External purchases and expenses amount to €832 million as of 31 December 2017, compared to €818 million in the previous year. This represents an increase of +1.7% (-€14 million).

Purchases consumed decreased by €2 million compared to last year, with an increase in purchases of weather-related supplies at the beginning of the year, which were offset by lower expenses on the Société du Grand Paris.

Subcontracting increased by €19 million, with an increase of €7 million in security services, €5 million in transport services (Bud direct convention,

EBITDA neutral) and €7 million in other (especially, an increase in guarding, PRM and the establishment of a new fee on connecting luggage).

Maintenance and repair increased by €4 million compared to last year, especially at CDG.

Advertising rose by €4 million due to the launch of the brand in 2016.

Savings of €4 million on external personnel with a global effort on all directions and giving preference to long-term recruitment.

5.6 Taxes other than income taxes

<i>(in millions of euros)</i>	2017	2016
Property tax	(93)	(91)
Territorial financial contribution	(57)	(63)
Non-refundable VAT on safety expenditure	(54)	(52)
Tax on earnings	(21)	(21)
Other taxes	(22)	(24)
TAXES OTHER THAN INCOME TAXES	(247)	(251)

Duties and taxes are down by 2% and amount to €247 million as of 31 December 2017.

♦ The rise in Property taxes are due to the entry into force of the reform on rental value as of 2017 will be limited by legal mechanisms.

5.7 Employee benefit costs

<i>(in millions of euros)</i>	2017	2016
Salaries	(381)	(380)
Social security expenses	(165)	(165)
Profit-sharing bonus	(13)	(14)
Works Council	(19)	(18)
Tax credit for competitiveness and employment	4	4
Other employee expenses	(17)	(12)
EMPLOYEE BENEFIT COSTS	(590)	(585)

Employee benefit costs amounted to €590 million as of 31 December 2017 and are on the rise (-€5 million) compared to last year.

The decrease in average headcount of -0.6% resulted in a decrease in employee benefit costs by approximately -€2.4 million.

Other employee expenses include the PEE/PERCO contributions and meals for employees of Aéroport de Paris outside the restaurants managed by the employee committee.

The contributions were up by €3 million in 2017 compared to 2016, due in part to the employee share scheme, Agatha, which were recorded as exceptional charges.

5.8 Operating depreciations, amortisations and reversals

<i>(in millions of euros)</i>	2017		2016	
	Additions	Reversals	Additions	Reversals
Intangible assets	(19)	-	(14)	-
Property, plant and equipment	(420)	-	(398)	-
Depreciation and Amortisation of fixed assets	(439)	-	(412)	-
Provisions for risks	(11)	17	(8)	11
Provisions for expenses	(24)	18	(33)	19
Provisions for liabilities and expenses	(36)	35	(41)	30
Trade receivables and related accounts	(3)	6	(2)	16
Depreciation of receivables	(3)	6	(2)	16
Transfer of operating charges	-	1	-	1
TOTAL	(477)	42	(471)	46

Provisions for risks and charges amount to €36 million, including, in particular provisions for commitments linked to retirement benefit schemes of €22 million.

The amount of reversals of provisions for doubtful and contested receivables amount to €6 million. At the same time, doubtful receivables are entered as a loss amounting to €5 million.

5.9 Income tax expenses

Break down of tax

<i>(in millions of euros)</i>	Income before tax	Taxes	Net income excluding profit sharing
Current result	771	(233)	538
Extraordinary income	(20)	6	(14)
Tax consolidation revenue	-	4	4
TOTAL (EXCLUDING PROFIT SHARING)	751	(223)	528

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.2017	As at 31 Dec 2016	Change
Participation of employee's profit sharing	(22)	(23)	1
Provisions for exchange losses	-	(4)	4
Provisions for employee benefit obligations	(373)	(380)	7
Other non-deductible provisions	(38)	(10)	(28)
Cost of studies and supervision of works (FEST)	(35)	(46)	11
Acquisition cost of securities investments	(10)	(10)	-
Amortization of securities investments acquisition costs	10	9	1
Property option exercise (Ex. Leasing)	(6)	(6)	-
Deductible expenses for the period on subsequent periods	(475)	(469)	(6)
Translation adjustments – Asset	-	4	(4)
Regulated provisions	1,173	1,140	33
Deducted charges of subsequent periods for the period	1,173	1,143	30
TOTAL TEMPORARY DIFFERENCES	698	674	24

Future income tax liability estimated at €165 million as at 31 December 2017 (€203 million as at 31 December 2016). The valuation has taken into account a decrease in the tax rate from 34.43% to 25.83% in 2022 in compliance with the finance law approved at the end of December 2017. The decrease in tax rate generated a reduced future tax liability based on the tax planning schedule.

5.10 Financial income

Financial income in 2017 amounted to €10 million and includes:

<i>(in millions of euros)</i>	2017	2016
Income from investments	109	32
Swap interest income	9	14
Other financial income	23	24
Financial income	141	70
Interest on loans	(108)	(113)
Swap interest charges	(6)	(7)
Other financial expenses	(37)	(23)
Financial expenses	(151)	(143)
FINANCIAL INCOME	(10)	(72)

Financial income amounts to €141 million and is mainly made up of:

- ♦ dividends received (€109 million) of which €61 million from ADP international and 23 million pending from TANK ÖWA alpha;
- ♦ interest income from swaps amounting to €9 million.

Financial expenses for the 2016 financial year are primarily made up of interest charges on borrowings and swaps amounting to €57 million. 2017 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 ADP Ingénierie current account of €9 million;
- ♦ reversal of provisions for risks of Cœur d'Orly Investissement, amounting to €2 million;
- ♦ exchange gains amounting to €4 million.

Other Financial expenses contains:

- ♦ additional depreciation of securities amounting to 20 million, out of which €9 million for ADP Ingénierie, €6 million for EPIGO, €2 million for TANK OWC BETA and €1 million for ADP Investissement;
- ♦ exchange losses amounting to €15 million.

Breakdown of Group¹ 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
Schiphol Group	12	-	-	12
Société de distribution aéroportuaire	2	-	-	2
ADP International	61	2	-	63
ADP Immobilier Tertiaire	1	-	2	3
SAS Coeur d'Orly Investissement	-	2	-	2
Hub One	3	-	-	3
ADP Immobilier	-	-	-	-
TANK ÖWA alpha GmbH	23	-	-	23
TANK ÖWC beta GmbH	-	(2)	(9)	(11)
Média ADP	2	-	-	2
Others	3	(8)	-	(4)
Group Financial result	109	(6)	(7)	96
Net financial income	-	-	-	(104)
Other financial income and expenses	-	-	-	(2)
Financial result outside the Group	-	-	-	(106)
FINANCIAL INCOME	-	-	-	(10)

¹ Here, the Group encompasses all subsidiaries and shareholdings held by Aéroports de Paris.

5.11 Extraordinary income

<i>(in millions of euros)</i>	2017	2016
Accelerated depreciation write-off	73	35
Other extraordinary income from assets	36	55
Extraordinary income from assets	109	90
Reversal of provisions for liabilities and expenses	19	14
Other extraordinary income	2	16
Sundry exceptional income	21	30
Extraordinary income	130	120
Accelerated depreciation expenses	(107)	(71)
Other extraordinary expenses on assets	(20)	(40)
Extraordinary expenses on assets	(127)	(111)
Provisions for extraordinary liabilities and expenses	(20)	(3)
Other extraordinary expenses	(3)	(19)
Sundry extraordinary expenses	(23)	(21)
These adjustments relate mainly to the depreciation of intangible assets (concession agreements, customer relationship)	(150)	(132)
EXTRAORDINARY INCOME	(20)	(12)

In 2017, the main variations in fixed assets is related to the sale of a 80% stake in Hub safe, which generated proceeds of €24 million. Extraordinary expenses are also made of special amortization expenses amounting to €107 million.

5.12 Profit sharing

<i>(in millions of euros)</i>	2017	2016
Employees' profit sharing	(22)	(22)



NOTE 6 NOTES TO THE BALANCE SHEET

6.1 Fixed Assets

<i>(in millions of euros)</i>	As at 31 Dec.2016	Increase	Decrease	Transfers to and from other headings	As at 31 Dec.2017
Concessions and similar rights, patents, licences, brands, procedures, and similar rights and values	242	-	-	23	265
Intangible assets	242	-	-	23	265
Land	53	-	-	-	53
Land development	30	-	-	2	32
Buildings	10,904	-	(59)	529	11,373
Buildings on third party land	5	-	-	-	5
Industrial plant and equipment	163	-	(6)	12	169
Other tangible fixed assets	356	-	(74)	19	300
Property, plant and equipment	11,509	-	(139)	562	11,932
Fixed assets in progress	792	791	-	(585)	998
Advances on fixed assets suppliers	37	13	-	(27)	23
TOTAL	12,580	804	(139)	(27)	13,218

Main investments during the year:

The investments made during 2017 amount to €791 million and are mainly made up with the following projects :

◆ at Paris-Charles de Gaulle Airport

- ◆ further work to set up a system of conveying, handling and increasing security of luggage at the satellites S3 et S4 of terminal 2E,
- ◆ la renovation of terminal 2B and its junction with terminal 2D,
- ◆ completion of the construction of the new office building,
- ◆ the acquisitions of the northern part of the office building "le Dôme" at Roissy,
- ◆ the upgrading of the rainwater treatment systems,
- ◆ construction of junction between international satellites in Terminal 1,
- ◆ the relocation of the taxi stand,
- ◆ the rehabilitation of the RER train station at Roissy,
- ◆ works on the facades of Terminal 1 satellites;

◆ at Paris-Orly Airport:

- ◆ continuation of construction works of the junction between the South Terminal and the West Terminal,
- ◆ redesign of the international departure pathway of the South Terminal,
- ◆ extension work on the golf areas and compliance work at the LGN-LJS turn,
- ◆ extension of hall 1 at terminal West,
- ◆ the second phase of the renovation of runway 4,
- ◆ the construction of additional boarding gates in hall A of the South terminal,
- ◆ the inversion of the screening and the control posts at the intersection of the international departure pathway in the South Terminal,
- ◆ the continuation of the renovation of the Orly Tech business sector;

- ◆ for Paris-Le Bourget airport, investments have focused mainly on work in anticipation of the construction of the future Grand Paris station and the preparation of the North Atlas area.

In 2017, Aéroports de Paris made significant investments in its support functions and platform projects, including the purchase of standard 3 baggage inspection equipment compliant with European regulations, upgrading the restrooms to standards and IT equipment

Main Disposals

- ◆ the new headquarters at Paris-Charles de Gaulle;
- ◆ the acquisition of the northern part of the office building «le Dôme» at Roissy;
- ◆ the last two aircraft stations of the extension of the East Jetty of the South Terminal at Paris-Orly;
- ◆ the new pavillon d'honneur of Paris-Orly;
- ◆ the completion of the renovation of runway 4 of Paris-Orly;
- ◆ the passageway linking the Cœur d'Orly sector to the South terminal;
- ◆ standard 3 baggage inspection equipment in compliant with European regulation, on both platforms;
- ◆ the construction of additional boarding gates in Hall A of the South Terminal;
- ◆ facilities in the Cœur d'Orly sector;
- ◆ the third phase of the preparation of the area of Aveniraires in Paris-Orly;
- ◆ standard-complying restrooms on both platforms;
- ◆ a rainwater drainage pipe, as part of works to upgrade the management and treatment systems of polluted water in winter at Paris-Charles de Gaulle.

Depreciations and Amortisations

<i>(in millions of euros)</i>	As at 31 Dec.2016	Increase	Decrease	As at 31.Dec.2017
Concessions and similar rights, patents, licences, brands, procedures, and similar rights and values	(183)	(19)	-	(202)
Intangible assets	(183)	(19)	-	(202)
Land development	(18)	(1)	-	(19)
Buildings	(5,366)	(392)	48	(5,711)
Buildings on third party land	(5)	-	-	(5)
Industrial plant and equipment	(107)	(10)	6	(111)
Other tangible fixed assets	(223)	(16)	74	(166)
Property, plant and equipment	(5,722)	(420)	127	(6,012)
TOTAL	(5,904)	(439)	127	(6,214)

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)	Exercise (4)	Cumulative (5)	
Land	19	23	41			23
Non-depreciable fixed assets	19	23	41	-	-	23
Land development	1	-	1			-
Buildings	309	275	585	1	271	5
Depreciable fixed assets	310	275	586	1	271	5
TOTAL	329	298	627	1	271	28

6.2 Financial assets

Book Value

<i>(in millions of euros)</i>	As at Dec 31, 2016	Increase	Decrease	Fusion	As at 31 Dec.2017
Share investments	1,316	55	(8)	(35)	1,328
Receivables from to share investments	55	44	(7)	-	92
Loans	9	-	(1)	-	8
Other financial assets	48	16	(9)	-	55
TOTAL	1,428	115	(25)	(35)	1,483

The main variations relate to:

- the capital increase of ADP Immobilier Tertiaire for €17 million and €16 million for the creation of ADP Invest 1;

- the contribution to ADP International (formerly ADP Management) of ADP engineering shares for a carrying amount of €20 million.

The change in «Receivables from share investments» is mainly due to dividends receivable at 31 December 2017 and the repayment of a €6 million loan by ADP Immobilier Tertiaire.



Depreciation

See Note 4.7 Depreciation of long-term assets

Impairments of securities amounted to €50 million of which:

<i>(en millions d'euros)</i>	As at 31 Dec.2016	Increase	Decrease	Restructuring	As at 31.Dec.2017
ADP Immobilier industriel	-	(1)	-	1	-
TANK ÖWC Beta GmbH	(26)	(2)	-	-	(28)
SAS Coeur d'Orly Investissement	(11)	-	-	-	(11)
EPIGO	-	(6)	-	-	(6)
ADP Ingénierie	(25)	(10)	-	35	-
ADP Immobilier	-	(1)	-	-	(1)
TANK ÖWA Alpha GmbH	(3)	-	-	-	(3)
Other	-	(1)	-	-	(1)
TOTAL	(65)	(21)	-	36	(50)

The €35 million depreciation of ADP Ingénierie shares was transferred from one item to another, in order to bring a carrying amount of the shares to ADP International.

Table of subsidiaries and shareholdings

(in millions of euros)	Share capital	Other equity ¹	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 and receivable by ADP
				Gross	Net					
Subsidiaries										
ADP International – France	112	44	100%	119	119	-	15	14	(62)	61
ADP Invest – France	-	-	100%	1	1	-	-	-	-	-
ADP Invest 1 – France	16	-	100%	16	16	-	-	-	-	-
Hub One – France	41	45	100%	41	41	-	-	86	5	3
SAS Coeur d’Orly Investissement – France	11	(18)	100%	11	-	-	-	-	(1)	-
ADP Immobilier – France	66	26	100%	93	92	7	-	-	-	-
TANK ÖWA alpha GmbH – France	-	660	100%	625	622	-	-	-	22	23
TANK ÖWC beta GmbH – France	-	9	100%	38	9	-	-	-	(6)	-
Other acquisitions/equity investments between 10% and 50%										
ADPLS Présidence – France	-	-	50%	-	-	-	-	-	-	-
Média ADP – France	2	10	50%	1	1	-	-	53	4	2
Société de distribution aéroportuaire – France	1	9	50%	1	1	5	-	721	5	2
EPIGO – France	1	(2)	50%	6	-	-	-	61	(6)	-
EPIGO Présidence – France	-	-	50%	-	-	-	-	-	-	-
Relay@adp – France	3	6	49%	1	1	-	-	83	6	2
SCI Roissy Sogaris – France	6	1	40%	2	2	-	-	-	-	2
SAS CHENUE LE BOURGET – France	1	-	40%	-	-	-	-	-	-	-
CDG Express Etudes – France	-	-	33%	-	-	-	-	-	-	-
Hub Safe – France	3	10	20%	3	3	-	-	75	4	2
Egidium – France	-	1	20%	1	1	-	-	-	-	-
Schiphol Group – Pays-Bas	85	3,863	8%	370	370	-	-	-	-	12
Other investments										
CCS France – France	-	-	20%	-	-	-	-	NC	NC	-
PACIFA – France	-	-	12%	1	1	-	-	-	-	-
IDF Capital – France	20	-	1%	-	-	-	-	NC	NC	-
Civi.Pol Conseil – France	2	-	1%	-	-	-	-	NC	NC	-
TOTAL				1,328	1,280	12	15			109

¹ Consolidated subsidiaries.

Several subsidiaries changed their corporate name in 2017 as indicated below:

- ◇ Aéroports de Paris Management is renamed ADP International;
- ◇ Aéroports de Paris Investissement is renamed ADP Immobilier Industriel;
- ◇ Roissy Continental Square is renamed ADP Immobilier tertiaire;

- ◇ Ville Aéroportuaire Immobilier is renamed ADP Immobilier;
- ◇ ADPMI is ADP Invest.



6.3 Operating receivables

(in millions of euros)

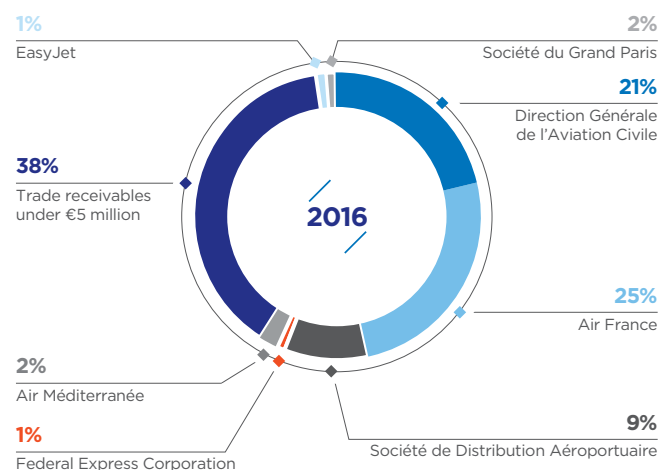
	As at 31 Dec.2017	As at Dec 31, 2016
Trade receivables and related accounts	420	460
Staff costs and related accounts	3	-
Taxes other than income taxes	117	71
Current accounts	187	66
Other debtors	10	8
Other receivables	316	145
TOTAL	736	605

Main trade receivables at year-end

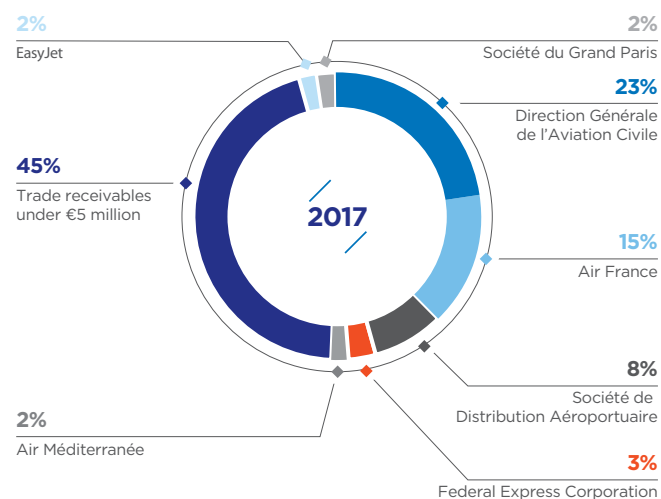
(in millions of euros)

	As 31 Dec.2017	As at Dec 31, 2016
Air France	98	114
Direction Générale de l'Aviation Civile	62	97
Société de Distribution Aéroportuaire	33	43
Société du Grand Paris	13	10
Easy Jet	7	9
Federal Express Corporation	9	6
Air Mediterranee	8	8
Trade receivables under €5 million	190	174
TOTAL	420	460

Breakdown of operating receivables 2016



Breakdown of operating receivables 2017



Current accounts

Current accounts, in other receivables, are as follows:

<i>(in millions of euros)</i>	As at 31 Dec.2017	As at 31 Dec.2016
SAS Coeur d'Orly Investissement	23	23
ADP Ingénierie	2	20
TANK ÖWA alpha GmbH	134	-
TANK ÖWC beta GmbH	-	-
ADP Invest	2	-
Fully Consolidated Subsidiaries	162	43
Société de distribution aéroportuaire	15	17
EPIGO	3	-
CDG Express Etudes	6	4
Other	1	2
Associates and joint ventures	25	23
TOTAL	187	66

The acquisition of an additional 8.12% of the capital of Turkish subsidiary TAV Airports was financed by ADP SA through an advance in the associate's current account to the subsidiary TANK ÖWA alpha GmbH.

Depreciation of current assets

The depreciation of current assets amounted to €23 million:

<i>(in millions of euros)</i>	As at 31 Dec.2017	As at 31 Dec.2016
Trade receivables and related accounts	(16)	(19)
Current accounts	(7)	(18)
TOTAL	(23)	(37)

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	Payment		
		<1 year	1 to 5 years	>5 years
Receivables from to share investments	92	31	25	36
Loans	8	2	3	3
Other capitalised receivables	4	4	-	-
Receivables from fixed assets	104	37	28	39
Trade receivables and related accounts	420	420	-	-
Other receivables	316	316	-	-
Receivables from current assets	736	736	-	-
Prepaid expenses	28	22	4	2
TOTAL	868	795	32	41

6.4 Marketable securities and cash

<i>(in millions of euros)</i>	As at 31 Dec.2017	As at 31 Dec.2016
Marketable securities	1,404	1,566
Of which Treasury shares	1	12
Cash	117	63
TOTAL	1,521	1,629



The short-term investments of Aéroports de Paris consist in investment funds (SICAV).

6.5 Prepaid expenses and deferred income

The Prepaid expenses amount to €28 million and consist mainly of items relating to:

- ◇ insurance contracts subscribed;
- ◇ the participation in work carried out by Réseau de Transportation d'Electricité (RTE).

The latter were requested by Aéroports de Paris as part of the reinforcement of the power supply at the Paris Charles-de-Gaulle platform. The share charged to Aéroports de Paris is spread over the period of use of its facilities, which remain the property of RTE

Deferred income

Deferred income totaled €162 million at year-end 31 December 2017 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.2016	Increase	Decrease	Allocation of income	As at 31 Dec.2017
Share capital	297	-	-	-	297
Premiums	543	-	-	-	543
Revaluation difference	24	-	(1)	-	23
Legal reserve	30	-	-	-	30
Other reserves	839	-	-	-	839
Retained earnings	1,055	-	-	137	1,193
Profit/loss for the period	399	506	-	(399)	506
Interim dividend	(70)	70	(70)	-	(70)
Investment grants	43	8	(2)	-	49
Regulated provisions	1,140	106	(73)	-	1,173
TOTAL	4,298	690	(146)	(262)	4,583

In 31 December 2017, the company's share capital as at 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 €4,583 million.

In compliance with the Annual General Meeting decision of 11 May 2017, a dividend of €2.64 per share, representing a total of €261,102,098 was paid out on 9 June 2017.

6.8 Provisions

<i>(in millions of euros)</i>	As at 31 Dec.2016	Additions	Reversals	As at 31 Dec.2017
Other provisions for risks	19	8	(7)	20
Provisions for litigation	22	3	(11)	14
Provisions for risks	41	11	(18)	34
Provisions for taxes	3	-	(3)	-
Provisions for restructuring	3	20	(3)	20
Provisions for employee benefit obligations	382	24	(30)	375
Other provisions for charges	2	-	(1)	1
Provisions for exchange losses	3	-	(3)	-
Provisions for expenses	393	44	(37)	397
TOTAL	434	55	(58)	431

Provisions for employee benefit obligations

Aéroports de Paris abides by the following employee benefit obligations:

RETIREMENT BENEFIT SCHEMES («END OF CAREER BONUSES»)

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 the 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 articles of association, 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 employee.

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 complies with Ordinance n° 2015-839 of 9 July 2015 on the securement of pension schemes as defined by article L. 137-11 of the Social Security Code.

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 1st January 2013) for other schemes.

The main risk involved is the implementation of European Directive No. 2014/50/EU of 16 April 2014 on minimum requirements for enhancing worker mobility between Member States by improving the acquisition and preservation of supplementary pension rights; this transposition - expected in May 2018 at the latest - would cause a significant hike in Aéroports de Paris' commitment.

There are two 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. The "additional" pension scheme corresponds to the compensation of up to 50% of the ARRCO and AGRIC points unearned over the period between the exit from PARDA and the age of 65,
 - ♦ a life annuity pension of the "differential" category for the majority of the PARDA scheme beneficiaries. This pension, which is temporary, is paid at the same time as the PARDA pension for firemen, and between the exit from PARDA and the age of 65 for all other early retirees. This "differential" scheme is equal to the difference,
 - ♦ between the net PARDA pension paid to the beneficiary at the exit of PARDA and its net legal pensions (SS, ARRCO and AGIRC).

MEDALS SCHEME

Aéroports de Paris employees are awarded «Aviation industry long service awards».

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 02 of 7 November 2013 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;
- ♦ INSEE 2007-2060 prospective mortality rate tables on the activity phase and generational tables TGH05/TGF05 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 ¹	Health cover	Aviation industry long service medals	Total
Actuarial value of obligation at opening	310	11	70	67	1	459
Interest costs	5	-	1	1	-	7
Service costs for the period	16	2	3	-	-	22
Services provided	(10)	(1)	(4)	(3)	-	(18)
Reduction/curtailment	(15)	-	-	-	-	(15)
Actuarial gain or loss	(3)	(2)	4	(16)	-	(16)
Actuarial value of obligation at closing	303	11	75	49	1	438
Deferred actuarial difference on balance sheet	(43)	8	(49)	21	-	(63)
Market value of assets at closing	-	-	-	-	-	-
Past service costs	-	-	-	-	-	-
Liabilities recognized in the balance sheet	260	18	26	70	1	375
Discount expenses	6	-	1	1	-	8
Amortisation of actuarial gains/losses	1	(1)	3	(7)	-	(5)
Service costs for the period	16	2	3	-	-	22
Past service costs	-	-	-	-	-	-
Reduction/curtailment	(13)	-	-	-	-	(13)
EXPENSE FOR THE PERIOD	9	1	7	(6)	-	11

¹ Additional Pensions and at Services provided.

6.9 Financial debts

Changes in financial debts

<i>(in millions of euros)</i>	As at 31 Dec.2016	Increases	Decreases	As at 31 Dec.2017
Bonds	3,835	500	(135)	4,200
Loans from credit institutions	517	-	-	517
Other loans	6	-	(1)	5
Deposits, estimated fees and deposits received	15	4	(4)	15
Accrued interest on loans	74	69	(74)	69
TOTAL	4,447	573	(214)	4,806

Accrued interest on loans stood at €69 million, including:

<i>(in millions of euros)</i>	
Accrued interest on bonds	66
Accrued interest on loans swapped	3

Debts 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 EUR 500 M 2010-2020	500	3.89%	500	-	-	500	-
ADP EUR 400 M 2011-2021	400	4.00%	400	-	-	400	-
ADP EUR 400 M 2011-2022	400	3.88%	400	-	-	400	1
ADP EUR 300 M 2012-2019	300	2.38%	300	-	-	300	1
ADP EUR 500 M 2012-2024	500	3.13%	500	-	-	500	3
ADP EUR 600 M 2013-2028	600	2.75%	600	-	-	600	5
ADP EUR 500 M 2014 -2028	500	1.50%	500	-	-	500	4
ADP EUR 500 M 2015 -2023	500	1.50%	500	-	-	500	1
ADP EUR 500 M 2017 -2027	500	1.00%	500	-	-	500	2
Bonds	4,200		4,200	-	-	4,200	15
BEI EUR 100 M 2003-2018	100	Eur 3M + margin	100	-	-	100	-
BEI EUR 220 M 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	-
Loans from credit institutions	517		517	-	-	517	-
Other loans	6		6	(1)	-	5	-
TOTAL	4,723		4,723	(1)	-	4,722	15

Swaps on bonds

<i>(in millions of euros)</i> <i>Initial date of swap</i>	Duration	Amount	Fair value ¹	Repayments made		Repayments received	
				Rate	Expenses	Rate	Income
08/07/2011	10 years	100	13	Eur 3M + margin	-	Fixed	4
08/07/2011	10 years	100	13	Eur 3M + margin	-	Fixed	4
08/07/2012	9 years	100	(8)	Fixed	(3)	Eur 3M + margin	-
08/07/2012	9 years	100	(8)	Fixed	(3)	Eur 3M + margin	-
TOTAL SWAPS RELATING TO BONDS		400			(6)		8

¹ Fair value includes Accrued interest.

6.10 Trade payables and tax and employee-related liabilities

<i>(in millions of euros)</i>	As at 31 Dec.2017	As at 31 Dec.2016
Trade payables	126	182
Staff costs and related accounts	210	224
Taxes other than income taxes	40	37
Tax and employee-related liabilities	250	261
TOTAL	376	443



6.11 Other liabilities

(in millions of euros)

	As at 31 Dec.2017	As at 31 Dec.2016
Debts on fixed assets and related accounts	238	258
Current accounts	95	224
Customer accounts payable	18	14
Various accounts payables	22	27
Other debts	135	265
TOTAL	373	523

Current accounts

Current accounts, presented in other liabilities, break down follows:

(in millions of euros)

	As at 31 Dec.2017	As at 31 Dec.2016
ADP international	43	169
TANK ÖWA Alpha GmbH	23	-
Hub One	17	25
TANK ÖWC Beta GmbH	9	-
Média Aéroports de Paris	2	3
Hub Safe	-	15
ADP Ingénierie	1	11
FULLY CONSOLIDATED SUBSIDIARIES	95	224

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	4,200	-	1,600	2,600
Loans from credit institutions	517	-	517	-
Loans and other financial liabilities	89	70	3	16
Financial debt	4,806	70	2,120	2,616
Trade payables	126	126	-	-
Tax and employee-related liabilities	250	250	-	-
Operating liabilities	376	376	-	-
Debts on fixed assets and related accounts	238	224	15	-
Other debts	135	135	-	-
Other payables	373	358	15	-
Deferred income	162	99	17	46
TOTAL	5,717	903	2,152	2,662

6.13 Accrued expenses and revenue to be received by balance sheet item

Assets	Liabilities	
(in millions of euros)	As at 31 Dec. 2017	(in millions of euros)
		As at 31 Dec. 2017
		Bonds
		68
Other financial assets	4	Loans from credit institutions
		1
Fixed assets	4	Financial debt
		69
Trade receivables and related accounts	129	Trade payables
		112
Other receivables	11	Tax and employee-related liabilities
		196
Current assets	140	Operating liabilities
		308
		Debts on fixed assets and related accounts
		181
		Other payables
		181
TOTAL	144	TOTAL
		559

NOTE 7 NOTES TO THE CASH FLOW STATEMENT

7.1 Change in working capital

(in millions of euros)	2017	2016
Change in inventories	1	(5)
Accounts receivable	37	12
Customers — doubtful accounts	3	14
Customers — invoice to be established	(1)	(31)
Tax receivable other than income taxes	13	(17)
Depreciation of receivable accounts	(3)	(14)
Other	2	(1)
Total trade and other receivables	52	(38)
Trade payables	(40)	(31)
Staff	(10)	(12)
Social security expenses	-	(4)
Tax liabilities excluding income taxes	(1)	1
Accrued liabilities	(4)	(19)
Deferred income	4	13
Employees' profit sharing	-	(2)
Other	1	17
Total trade and other payables	(50)	(36)
CHANGE IN WORKING CAPITAL	3	(79)



7.2 Acquisition of participation

<i>(in millions of euros)</i>	2017	2016
ADP Ingénierie	11	-
ADP Immobilier Tertiaire	17	-
Other	22	9
ACQUISITION OF SUBSIDIARIES AND INVESTMENTS IN OTHER ENTITIES	50	9

7.3 Cash & cash equivalents at the end of period

<i>(in millions of euros)</i>	2017	2016
Cash and cash equivalents	1,520	1,616
Bank overdrafts ¹	-	-
NET CASH (AS SHOWN IN THE CASH FLOW STATEMENT)	1,520	1,616

¹ 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. 2017	As at 31 Dec. 2016
Guarantees	2	2
First demand guarantee	4	47
Acquisition of capital assets	845	405
Other	123	154
COMMITMENTS GRANTED	975	608
Guarantees	59	60
First demand guarantee	174	233
Other	-	-
COMMITMENTS RECEIVED	233	294

Aéroport de Paris SA, as lessor, shall receive the following minimum payments on the lease agreements in force as at 31 December:

<i>(in millions of euros)</i>	Total 31 Dec. 2017	<1 year	1 to 5 years	> 5 years
Minimum future payments to be received	3,018	249	923	1,846

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:

The following litigation and arbitration represents a contingent liability:

- On 13 June 2013, the company JSC Purchases filed a compensatory action before the Commercial Court of Paris in response to Aéroports de Paris SA's refusal to grant it a temporary authorisation to occupy the public domaine in 2004 with a view to build and operate a shopping center at the airport of Paris-Charles de Gaulle. To this date, the pleadings have been limited to the jurisdiction of the court. In a decision of 4 July 2016, the jurisdiction court (Tribunal des Conflits) held that the administrative courts had exclusive jurisdiction over the matter. In a decision of 19 January 2017, the administrative court of Paris dismissed all of JSC Purchases' claims. The opposing party appealed the decision and the case is pending before the administrative court of appeals. At this point, the Group is not expecting a negative outcome on the case.

NOTE 9 REMUNERATION AND HEADCOUNT

9.1 Remuneration allocated to members of administrative and management bodies

<i>(in thousands of euros)</i>	As at 31 Dec. 2017	As at 31 Dec. 2016
Remuneration	4,521	4,068
Employer's social security contributions	1,925	1,582
Attendance fees	213	100
TOTAL	6,659	5,750

9.2 Employment details

The table below gives a breakdown of the workforce (present, on unpaid leave and on secondment).

Categories	As at 31 Dec. 2017	As at 31 Dec. 2016	Change	Percentage
Executives (excluding CEO and COO)	1,340	1,325	15	1%
Supervisors and technicians	4,508	4,535	(27)	-1%
Enforcement agents	587	618	(31)	-5%
TOTAL	6,435	6,478	(43)	-1%

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 6.7 million euros in 2017 in comparison to 5.8 million euros in 2016. 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)

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 teSantiago de Chile International Airport concession.

Relations with the French State and State shareholdings

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 2017. 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 2017, revenues linked to airport security and safety amounted to €487 million (€480 million in 2016). At 31 December 2017, the receivable from the DGAC amounts to €57 million (€93 million at 31 December 2016);
- ◆ 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 was signed between SGP and ADP on 6 March 2017 to clarify the different sub-projects, the budget allocated to the construction works, the amount of indemnities to be paid to ADP for the losses and additional costs related to the buildings affected by the construction of the metro station, and the allocation of the missions between the parties.

Furthermore, two additional agreements were signed with the SGP in July and September 2017, for the remuneration of the feasibility studies conducted in relation to potential works to be realised by Aéroports de Paris SA for the account of the SGP, in the structure of Paris-Charles de Gaulle and Le Bourget airports.

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.

Relations with associated or jointly controlled companies

CDG EXPRESS

In 2014, when the French Government decided to relaunch the CDG Express project, the entity "CDG Express Etudes" was created to conduct

legal, technical and financial studies related to the project. CDG Express Etudes is equally held by Aéroports de Paris SA, SNCF Réseau and the State and was granted a budget of €15.6 million.

Studies conducted by the entity were used as a basis for the law of 28 December 2016 in relation to a rail connection between Paris and Paris-Charles de Gaulle airport, in order to define the legal structure of the project. The structure is henceforth based on:

- ◆ the creation of a project entity (the infrastructure manager), in charge of the creation, financing, maintenance and operation of the infrastructure. This entity is expected to be launched in 2018 and will be held mainly by Aéroports de Paris SA and SNCF Réseau;
- ◆ SNCF Réseau will remain infrastructure manager on the existing Paris – Mitry-Mory connection;
- ◆ A rail operator in charge of the transport service operation.

Meanwhile, pending completion of the creation of the project entity, the respective Chief Executive Officers of SNCF Réseau and Aéroports de Paris SA were asked by the French Prime Minister to pre-finance, for the account of the project entity, the pursuit of the technical studies on the project and the design of the works concession. In this context, Aéroports de Paris SA, SNCF Réseau and Caisse des Dépôts et Consignation signed a tripartite agreement covering within a limit of €49.1 million, the amount of expenditures necessary to pursue the previously mentioned studies.

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

There are no other events after the closing to date.

20.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Aéroports de Paris annual general meeting,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Aéroports de Paris for the year ended December 31, 2017.

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 of December 31, 2017 and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' responsibilities for the audit of the financial statements" section of our report.

Independence

We conducted our audit in compliance with independence rules applicable to us, for the period from January 1, 2017 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics for statutory auditors.

Observation

Without qualifying our opinion expressed above, we draw your attention to note 4.2 to the financial statements which describes the change in accounting method relating to the adoption of regulation 2015-05 of July 2, 2015, relating to forward contracts and hedging obligations, applicable to financial statements for financial years beginning on or after January 1, 2017.

Justification of assessments - Key Audit Matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional

judgment, were of most significance in the audit of the financial statements of the current period, as well as our responses to those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on specific elements, accounts or items of the financial statements.

Valuation of revenue related to airport safety and security

(see notes 4.4 and 5.1 "Revenue")

Risk identified

In 2017, revenue related to airport safety and security amounted to €487 million.

Aéroports de Paris SA receives revenue within the context of its public service mission in France for security, air transport safety, rescue and aircraft firefighting (hereinafter "security missions"). This revenue covers the costs incurred in these missions. It is paid by the Direction Générale de l'Aviation Civile (DGAC), which funds it through the airport security tax levied on airline companies. This revenue is recognized as the estimated costs eligible for reimbursement by the DGAC are incurred.

The Company uses allocation keys to determine which costs have been incurred with respect to these missions, as certain types of cost may not be exclusive to the missions, specifically certain leasing expenses, certain depreciation, amortization and maintenance charges, and taxes and income taxes.

We considered the valuation of revenue related to airport safety and security as a key audit matter given the amounts at issue, and the fact that it is based on the reliability of the analytical allocation of costs incurred.

Response as part of our audit

The work we conducted mainly consisted in:

- ◆ obtaining an understanding of the internal control system for the chain of costs incurred with respect to security missions, ranging from the conclusion of supplier contracts to invoice payment;
- ◆ Examining the methods used to allocate security mission costs, with the help of an information system specialist in our audit team.

We also:

- ◆ for each type of cost, assessed the difference between the year's actual cost, the budget and the comparative period, including by means of the Company's analyses;
- ◆ conducted a critical analysis of the security mission costs recorded for the airport safety and security scope by verifying, based on a sample, their eligibility for refunding by the DGAC, as defined in the applicable regulations.



Valuation of property, plant, equipment

(see notes 4.5 and 6.1 to the financial statements “Property, plant, equipment and intangible assets”)

Risk identified

As of December 31, 2017, the net carrying amount of property, plant, equipment is €5,921 million (or 55% of total assets).

Under the 2016-2020 Economic Regulation Agreement (ERA) signed with the French State, the Company is pursuing an investment program within the regulated scope that must meet a €2,978 million investment budget over the period, as well as a timetable constraint.

The assets are depreciated according to the methods set out in the notes to the financial statements. Useful lives are re-evaluated at each year-end based on the investment and continuation program for existing assets, so that they reflect the estimated useful lives.

We considered the valuation of property, plant, equipment as a key audit matter due to (i) the significant value of property, plant, equipment in the Company's financial statements, and (ii) the management judgments necessary to estimate the useful life of depreciable assets, which involves a specific and complete identification of assets whose renewal is planned in the short-to-medium term.

Response as part of our audit

The procedures we performed mainly consisted in:

- ◊ obtaining an understanding of the internal control procedures relating to the estimate of the useful life of depreciable assets and the identification of assets whose renewal is planned in the short-to-medium term;
- ◊ testing the effectiveness of key controls relating to these procedures, including controls covering depreciation terms supported by the dedicated IT application, with the help of an information system specialist in our audit team.

Using samples, we also:

- ◊ compared the useful lives applied with the estimated useful lives, as resulting from the investment and continuation program for existing assets;
- ◊ examined the accounting documentation for the assets whose depreciation term changed over the year;
- ◊ conducted a critical analysis of the residual values of assets likely to be replaced under the 2016-2020 investment program.

Valuation of equity securities

(see notes 4.6 and 6.2 “Financial assets”)

Risk identified

Equity securities amounted to €1,328 million as of December 31, 2017 (net value of €1,280 million).

Equity securities are recorded on the balance sheet at acquisition cost less expenses.

As indicated in note 4.6 to the financial statements, Aéroports de Paris examines the value of equity securities at the end of each period by referencing the value in use. If the value in use of these securities is lower than their accounting value, an impairment loss for the difference is recorded.

The estimate of the value in use of these equity securities requires management to exercise judgment in its choice of items to consider. Such items may correspond, as the case may be, to historical items (equity or latest stock market prices in particular), or forecast items (expected cash flows).

We considered the valuation of equity securities as a key audit matter, given their importance on the balance sheet due to the judgments management must issue to estimate the value in use of these securities.

Response as part of our audit

Our work mainly consisted in:

- ◊ examining and assessing the reasonableness of the valuation methods adopted by management to estimate values in use;
- ◊ comparing the data used in determining values in use with the source data by entity and, specifically, examining the consistency of the forecast cash flows and adopted assumptions with the economic situation on the dates the accounts were closed and prepared;
- ◊ verifying the arithmetical accuracy of the value in use calculations adopted by the Company for the main securities.

Verification of the management report and other documents provided to Shareholders

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the management report and other documents provided to shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to shareholders with respect to the financial position and the financial statements.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance contains the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (Code de commerce).

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (Code de commerce) relating to remunerations 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 controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

Concerning the information relating to items your Company considers likely to have an impact in the event of a public tender offer or public exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code (Code de commerce), we have verified its compliance with the source documents communicated to us. Based on this work, we attest the accuracy and fair presentation of this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

Deloitte & Associés and Ernst & Young Audit were appointed as statutory auditors of Aéroports de Paris S.A. by the Shareholders' Meeting of May 18, 2015.

As of December 31, 2017, Deloitte & Associés and Ernst & Young Audit were both in their 3rd year of uninterrupted engagement.

Ernst & Young et Autres and Ernst & Young Audit, members of the EY international network, previously served as statutory auditors from 2009 to 2014 and 2003 to 2008, respectively.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements have been approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted

in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit, and furthermore:

- ◆ identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ◆ obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- ◆ evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- ◆ assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If we conclude that a material uncertainty exists, we draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, we modify our opinion;
- ◆ evaluates the overall presentation of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which

are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, March 6, 2018

The Statutory Auditors

French original signed by

Deloitte & Associés

ERNST & YOUNG Audit

Christophe Patrier

Olivier Broissand

Jacques Pierres

Alban de Claverie

20.5 PRO FORMA FINANCIAL DATA

20.5.1 Groupe ADP's *pro forma* financial statements as of 31 december 2017

Groupe ADP (<i>in millions d'euros</i>)	Groupe ADP accounts including TAV Airports' H1 results (historical data)	Pro forma adjustments	Pro forma accounts for Groupe ADP
Revenue	4,138	(1)	4,137
EBITDA	1,767	(1)	1,766
Operating income from ordinary activities	1,181	(89)	1,093
Operating income	1,204	(89)	1,115
Financial result	(229)	1	(228)
Income before tax	976	(88)	889
Net income	684	(71)	614
Net income attributable to the Group	603	(32)	571

This *pro forma* income statement has been prepared for the sole purpose of illustrating the effect of acquiring control of the company TAV Havalimanları Holding A.Ş. ("TAV Airports") on 7 July 2017 could have had on the consolidated income statement for the financial year ended 31 December 2017 of the company Aéroports de Paris, if the transaction had taken place with effect from 1 January 2017.

This *pro forma* financial data has been prepared based on the following information:

- ◇ the audited historical data of Groupe ADP for the 2017 financial year as published and including that of TAV Airports fully integrated from the date of acquisition (7 July to 31 December 2017);
- ◇ the historical data from 1 January to 6 July 2017 of TAV Airports;

- ◇ the *pro forma* adjustments including (i) impairment of the intangible assets at fair value as of 7 July 2017 (namely the intangible asset represented by the concession for Istanbul Atatürk, airport operating rights and the contractual relationship with certain customers), on the assumption that the amounts in question would have been determined using the same method at 1 January 2017, and (ii) the share of income from TAV restated by the equity method for H1.

The impact on the financial result of an acquisition taking place on 1 January 2017 was deemed immaterial.

The transaction is described in Note 2.1 to the consolidated financial statements presented in Section 20.1.

20.5.2 Statutory auditors' report on the pro forma financial information for the year ended 31 December 2017

This is a 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 and Chief Executive Officer,

In our capacity as statutory auditors of your Company and in accordance with Commission Regulation (EC) no. 809/2004, we hereby report to you on the pro forma financial information of Aéroports de Paris for the year ended December 31, 2017 set out in section 20.5.1 of the 2017 Registration Document.

The pro forma financial information has been prepared for the sole purpose of illustrating the impact that the additional purchase of shares leading to a full consolidation of TAV Havalimanları Holding A.Ş. («TAV Airports») on July 7, 2017 might have had on the consolidated income statement of Aéroports de Paris for the year ended December 31, 2017 had it taken place with effect from January 1st, 2017. By its very nature, this information is based on a hypothetical situation and does not represent the financial position or performance that would have been reported, had the transaction or the event taken place at an earlier date than the actual date.

It is your responsibility to prepare the pro forma financial information in accordance with the provisions of Commission Regulation (EC) no. 809/2004 and ESMA's recommendations on pro forma financial information.

It is our responsibility to express an opinion, based on our work, in accordance with Annex II, item 7 of Commission Regulation (EC) no. 809/2004, as to the proper compilation of the pro forma financial information.

We performed those procedures that we deemed necessary in accordance with the professional auditing standards applicable in France to such engagements. These procedures, which did not include audit or a review of the financial information used as a basis to prepare the pro forma financial information, mainly consisted in ensuring that the information used to prepare the pro forma information was consistent with the underlying financial information, as described in the notes to the pro forma financial information, reviewing the evidence supporting the pro forma adjustments and conducting interviews with the management of Aéroports de Paris to obtain the information and explanations that we deemed necessary.

In our opinion:

- ◆ the pro forma financial information has been properly compiled on the basis stated; and
- ◆ that basis is consistent with the accounting policies of the issuer.

This report has been issued solely for the purposes of:

- ◆ filing the registration document with the French financial markets authority (Autorité des marchés financiers – AMF);
- ◆ And, as the case may be, the admission to trading on a regulated market, and/or a public offer, of shares or debt securities of Aéroports de Paris in France and in other EU member states in which the prospectus approved by the AMF is notified.

and cannot be used for any other purpose.

Neuilly-sur-Seine and Paris-La Défense, March 30, 2018

The statutory auditors

French original signed by

DELOITTE & ASSOCIES

Christophe Patrier

Olivier Broissand

ERNST & YOUNG Audit

Jacques Pierres

Alban de Claverie



20.6 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 2016: €261 million or €2.64 per share, representing a payout ratio of 60% of net income;
- ◆ 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.

Dividend distribution policy

The Annual General Meeting of Shareholders, held on 11 May 2017, voted to pay a dividend of €2.64 per share for financial year 2016, with an ex-dividend date of 7 June 2017. Given that the payment of the interim dividend (€0.70) in December 2016, the dividend settlement (€1.94) was paid on 9 June 2017. This dividend corresponds to a payout ratio of 60% of the 2016 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 2017 financial year, this interim dividend amounts to €69 million, i.e. €0.70 per share. The dividend payment of the interim dividend was made on 6 December 2017 and payment of the interim dividend for 2017 was made on 8 December 2017.

This dividend corresponds to a payout ratio of 60% of the 2017 net income attributable to the Group, unchanged compared to 2016.

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.

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 Investissements all of its claims. An appeal against this decision has been filed by JSC Investments. The Court set the date for closing the investigation at 2 March 2018. A hearing should therefore be scheduled shortly.

Terminal 2E

As part of the criminal proceedings concerning the collapse of part of the Terminal 2E jetty at Paris-Charles de Gaulle airport on 23 May 2004, by an Order dated 18 October 2017, the examining magistrate ordered the case concerning Aéroports de Paris, Bureau Veritas, GTM and Ingérop to be sent back to the criminal court. The proceedings will be held from 10 to 14 December 2018.

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: in a ruling of 16 May 2017, the Paris Administrative Court denied a claim for abuse of power brought by Air Transat AT, Inc. against the decision on fees taken by Aéroports de Paris. This company lodged an appeal of this decision with the Administrative Court of Appeal of Paris. The case is in progress;
- ◆ 2013-2014: by decree of 2 November 2016, the Paris Administrative Court of Appeal rejected the plaintiffs' claim. By a decision of 23 November 2017, the final appeal lodged by the claimants was denied by the Council of State;
- ◆ 2013-2015: by decree of 2 November 2016, the Paris Administrative Court of Appeal rejected the plaintiffs' claim. By a ruling of 23 November 2017, the final appeal lodged by the claimants was denied by the Council of State;
- ◆ 2015-2016: by a decree of 25 April 2017 the Administrative Court of Appeal of Paris upheld the decision of the of the Administrative Court of Paris of 12 July 2016, by denying the appeal brought by XL Airways France, Europe Airpost, Air Méditerranée and Air Transat AT, Inc. against the fees decision of Aéroports de Paris. By a decision of 17 January 2018, the final appeal lodged by the claimants was denied by the Council of State;
- ◆ 2016-2017: in a ruling of 16 May 2017, the Paris Administrative Court denied an appeal brought on 8 April 2016 by Air Transat AT, Inc. And XL Airways against the decision on fees taken by Aéroports de Paris. These two companies have appealed of judgement to the Administrative Court of Appeal of Paris. The case is in the investigative phase;
- ◆ 2017-2018: XL Airways France, ASL Airlines France and Air Transat AT, Inc. filed an appeal on 21 April 2017 with the Administrative Court of Paris for abuse of power against the fee decision of Aéroports de Paris. The case is in the investigative phase.

ERA pricing clauses

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 abuse of power before the Council of State in order to annul:
 - ◆ the decision on the approval of the airport fees applicable made on 21 January 2016 by the unduly constituted Independent Supervisory Authority, and
 - ◆ Aéroports de Paris' decision relating to airport fees applicable for the same period.

By decision dated 31 March 2017, the Council of State annulled the two decisions referred to above. No impact on the Aéroports de Paris financial statements :

- ◆ with regards to fees published on 8 September 2016 which replace the previous ones, 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,
 - ◆ Aéroports de Paris' decision relating to airport fees applicable for the same period.

By a decision of 5 December 2017, the Council of State rejected the appeal.

On 30 November 2016, Twin Jet filed an interim claim before the Council of State for the suspension of the aforementioned fees. By order dated 22 December 2017, the judge dismissed the application for suspension.

Airport fees for 2017-2018

By two separate motions filed before the Council of State of 20 and 21 April 2017, Chambre Syndicale du Transport Aérien (CSTA) et le Syndicat des Compagnies Aériennes Autonomes (SCARA) asked the court to annul:

- ◆ decision No. 1606-D2 dated 20 February 2017 of the Autorité de Supervision Indépendante (ASI) approving the application for authorisation of fees by Aéroports de Paris for the fee period 2017-2018;
- ◆ the decision dated 23 February 2017 of Aéroports de Paris setting the rates of airport charges applicable between 1 April 2017 and 31 March 2018.

Both cases are in the fact-finding phase.

20.9 MATERIAL CHANGE IN FINANCIAL OR COMMERCIAL POSITION SINCE 31 DECEMBER 2017

Significant events occurring between the end of the 2017 financial year and 22 February 2018, the date on which the accounts were approved by the Board of Directors, are mentioned in Note 16 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 ^{AFR}

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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 2017. 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 Company's Board of Directors implemented the share buyback programmes authorised by the Annual General Meeting of Shareholders of 3 May 2016 (between 1 January and 10 May 2017) and that of 11 May 2017 (between 12 May and 31 December 2017), 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 at 31 December 2017 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.

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 3 May 2016 and 11 May 2017

As at 6 March 2017, Aéroports de Paris did not hold any treasury shares. The contract liquidity account had a credit balance of €17,345,434.28, 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.

As previously reported, 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 purchasing

scheme for the subscribers of the Group savings scheme (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 2016. Shares allocated to the free allocation of Company shares programme were delivered to employees who subscribed to the programme on 4 May 2017.

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.

TRANSACTIONS RELATING TO TREASURY SHARES CARRIED OUT WITHIN THE FRAMEWORK OF THE LIQUIDITY CONTRACT BETWEEN 11 MAY 2017 AND 6 MARCH 2018

Cumulative gross flows	Number of shares	Average price (in euros)	Valuation (in euros)
Number of shares at 11 May 2017	0		
Purchases	365,598	150.087	54,871,663.88
Sales	365,598	150.311	54,953,578.23
Number of shares as at 6 March 2018	0		

No operation has been carried out within the framework of the share buyback programme through the use of a derivative product.

Outline of share buyback programme subject to approval by the General Meeting of Shareholders of 4 May 2018

The Board of Directors' Meeting of 22 February 2018 submitted a resolution to the General Meeting of Shareholders of 4 May 2018 (15th resolution) aimed at renewing the authorisation given to the Board of Directors to decide, subject to the provisions, where appropriate, of article L. 6323-1 of the French Transport Code, to implement a share buyback programme enabling transactions to be made in 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 February 2018) 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;
- ◆ Implementation of company stock option purchase plan in accordance with the provisions of articles L. 225-177 et seq. of the French Commercial Code or any similar plan;
- ◆ 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 €255, excluding acquisition costs, under the liquidity contract, and equal to €210, excluding acquisition costs, for other transactions in the programme. The total amount allocated for executing the programme is €550 million.

Duration of the programme: 18 months from 4 May 2018, or until 4 November 2019.

Execution of the programme: The Board of Directors' Meeting on 22 February 2018 resolved, subject to the condition precedent of approval by the General Meeting of Shareholders on 4 May 2018 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 the 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 €4,179 million as of 31 December 2017. 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 ^{(P) 1, 6} Issue of debt securities: €500 million ²
Share capital increase with removal of the pre-emptive subscription right through public offering	Share capital increase: €29 million ^{(P) 3, 6} Issue of debt securities: €500 million ²
Share capital increase with removal of the pre-emptive subscription right through a private placement offer	Share capital increase: €29 million ^{(P) 3, 6} Issue of debt securities: €500 million ²
Increase in the amount of securities in the case of a capital increase with or without pre-emptive rights	Increase in the number of securities offered: 15% of initial issue ^{(P) 4, 6}
Capital increase through the incorporation of premiums, reserves, profits or other	Share capital increase: €97 million ⁵
Share capital increase reserved for subscribers to an Employee Savings Scheme	Share capital increase: €2.9 million ^{(P) 3}
Capital increase in payment for a public exchange offer initiated by the Company	Share capital increase: €29 million ^{(P) 3} Issue of debt securities: €500 million ²
Capital increase with a view to payment in contributions in kind	Share capital increase: 10% of share capital at the time of the issue ^{(P) 3}
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 ¹ €29 million, or 10% of capital for share capital increases with removal of the pre-emptive subscription right ³ €29 million, or 10% of capital for share capital increases during public offer periods ⁶
Share capital increases during public offer periods (global cap)	Global cap for share capital increases during public offer periods: €29 million ^{(P) 3, 6}

^(P) With attribution to the global cap of dilutive capital increases of €97 million par value.

¹ With attribution to the global cap of capital increase with preservation of pre-emptive rights of €97 million par value.

² With attribution to the global cap of an issue of securities giving access to Company debt of €500 million.

³ With attribution to the global cap of capital increase with removal of pre-emptive rights of €29 million par value.

⁴ With, for an issue with preservation of pre-emptive subscription rights, attribution to the cap (1) and for an issue with removal of pre-emptive subscription rights, attribution to cap (3).

⁵ Without attribution to the global cap for dilutive capital increases.

⁶ 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.

Financial authorisations submitted to the Combined General Meeting of the Shareholders to be held on 4 May 2018

The following table summarises the financial authorisations to be granted to the Board of Directors for the General Meeting of Shareholders to be held on 4 May 2018. The various financial authorisations replace, as of the day of their approval by the Combined General Meeting, where appropriate, for their non-committed parts, those granted previously for the same purpose.

Subject	Global ceiling or maximum nominal amount (26-months authorisations)
Dilutive share capital increases	Global cap for dilutive share capital increases €97 million, i.e. 33% of share capital for dilutive capital increases ^(P) Global cap to which the following sub-caps are added: €97 million, or 33% of capital for share capital increases with preservation of pre-emptive subscription rights ¹ €29 million, or 10% of capital for share capital increases without preservation of pre-emptive subscription rights ³ €29 million, or 10% of capital for share capital increases during public offer periods ⁶
Share capital increase with preservation of the pre-emptive subscription right	Share capital increase: €97 million ^{(P) 1} i.e. 33% of capital Issue of debt securities: €500 million ²
Share capital increase with removal of the pre-emptive subscription right through public offering	Share capital increase: €29 million ^{(P) 3} i.e. 10% of capital Issue of debt securities: €500 million ²
Share capital increase with removal of the pre-emptive subscription right through a private placement offer	Share capital increase: €29 million ^{(P) 3} i.e. 10% of capital Issue of debt securities: €500 million ²
Increase in the amount of securities in the case of a capital increase with or without pre-emptive subscription rights	Increase in the number of securities offered: 15% of initial issue ^{(P) 4}
Capital increase through the incorporation of premiums, reserves, profits or other	Share capital increase: €97 million ⁵ i.e. 33% of capital
Capital increase reserved for subscribers to an Employee Savings Scheme	Share capital increase: €2.9 million ^{(P) 3} i.e. 1% of capital
Capital increase in payment for a public exchange offer initiated by the Company	Share capital increase: €29 million ^{(P) 3} i.e. 10% of capital Issue of debt securities: €500 million ²
Capital increase with a view to payment in contributions in kind	Share capital increase: 10% of share capital at the time of the issue ^{(P) 3}
Reduction in share capital cancellation of treasury shares	Reduction of the capital of 10% of the number of shares making up the share capital
Increase in the share capital during public offering periods For resolutions 19, 20, 21 and (when used in connection with an issue as part of resolutions 19, 20, 21) 22	Share capital increase: €29 million ^{(P) 3,6} i.e. 10% of capital

^(P) With attribution to the global cap of dilutive capital increases of €97 million par value.

¹ With attribution to the global cap of capital increase with preservation of pre-emptive subscription rights of €97 million par value.

² With attribution to the global cap of an issue of securities giving access to Company debt of €500 million.

³ With attribution to the global cap of capital increase with removal of pre-emptive subscription rights of €29 million par value.

⁴ With, for an issue with preservation of pre-emptive subscription rights, attribution to the cap (1) and for an issue with removal of pre-emptive subscription rights, attribution to cap (3).

⁵ Without attribution to the global cap for dilutive capital increases.

⁶ 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.

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 (1) of 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 Travel Retail Group, and for the Société de Distribution Aéroportuaire and Relay@ADP joint ventures, (ii) and JC Decaux France SAS and (iii) Select Service Partner for catering services, and for the Epigo company.

Where property operations are concerned, please see the paragraph entitled "Property Operations at the Paris-Orly platform" in chapter 6 for a description of the contractual agreements that Aéroports de Paris (1) has signed with Altarea and Foncière des Régions in connection with the Cœur d'Orly project, (2) and 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.

As regards the activity of groundhandling, for a description of the contractual agreements between Aéroports de Paris and G3S relating to Alyzia Holding, see paragraph in chapter 6 "Groundhandling Activity."



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

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.

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 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.



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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 entered into on 7 July 2017 according to the terms of which Aéroports de Paris, the parent company of Groupe ADP, finalised the acquisition, through its subsidiary Tank ÔWA alpha GmbH, of an additional 8.12% holding of the securities of TAV Havalimanlari Holding A.Ş. ("TAV Airports"); Groupe ADP, which had already held 38% of TAV Airports shares since 16 May 2012, now holds 46.12% of the share capital of that company;
- ◆ the Economic Regulation Agreement signed on 31 August 2015 with the French government for the 2016-2020 period (see the paragraph "Fees" in Chapter 6);
- ◆ 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 and provides 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 Aéroport de Paris 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").



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INFORMATION FROM THIRD PARTIES, EXPERT STATEMENTS AND STATEMENTS OF INTEREST

Not applicable.



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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, and a copy of which may be obtained at the Company's registered office, 1 rue de France, 93290 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.

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FINANCIAL CALENDAR

// RESULTS, REVENUE AND GENERAL MEETING

Results, revenue and general meeting	Publication date	Quiet period
2018 First quarter revenue	Thursday 3 May 2018	From 16 April to 3 May 2018
Annual general meeting of shareholders	Friday 4 May 2018	
2018 Half-year results	Monday 30 July 2018	From 6 to 30 July 2018
2018 9-Month revenue	Monday 29 October 2018	From 12 to 29 October 2018

// MONTHLY TRAFFIC FIGURES

Monthly traffic figures	Publication date
December 2016 traffic figures	Friday 12 January 2018
January 2017 traffic figures	Wednesday 14 February 2018
February 2017 traffic figures	Wednesday 14 March 2018
March 2017 traffic figures	Friday 13 April 2018
April 2017 traffic figures	Wednesday 16 May 2018
May 2017 traffic figures	Wednesday 13 June 2018
June 2017 traffic figures	Wednesday 11 July 2018
July 2017 traffic figures	Tuesday 14 August 2018
August 2017 traffic figures	Wednesday 12 September 2018
September 2017 traffic figures	Friday 12 October 2018
October 2017 traffic figures	Wednesday 14 November 2018
November 2017 traffic figures	Wednesday 12 December 2018



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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.



STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and is 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 DECEMBER 31, 2017

To the Aéroports de Paris annual general meeting,

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 to the Annual General Meeting

Agreements and commitments authorized and concluded during the year ended 31 December 2017

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, concluded during the year ended 31 December 2017 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 Debray,

- ◆ Mrs. Solenne Lepage,
- ◆ Mr. Michel Massoni,
- ◆ Mr. Denis Robin
- ◆ Mrs. Perrine Vidalenche,

1.1. With Société du Grand Paris, public body

1.1.1 AMENDMENT N°1 TO THE 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

Amendment n°1 to the agreement related 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 February 22, 2017, your board of directors authorized the conclusion of the amendment n°1 to the agreement between Société du Grand Paris and your company, as mentioned in paragraph 1.5.1 of the second section of this report. This amendment was signed on March 1, 2017. The changes provided by this amendment n°1 to the shared contracting ownership brings the total amount of the funding by the Société du Grand Paris for the station and the parking to M€ 195.20 excluding taxes (March 2016 value), split at M€ 132.80 excluding taxes for the station and M€ 62.4 excluding taxes for the parking). Other changes provided by the amendment relate to clarifications or specifications on the tasks of the parties for the building the facilities, the responsibility system, the insurances that cover the construction risks without modifying substantially the economy and general balance of obligations of parties of this agreement.

Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement given the complexity of the various structures (metro station, junction building, car park and roads to be reconstructed) that must be built at Paris-Orly airport and the interest for your company to assume the contracting ownership of the whole operation in line with the funding terms presented in the report to the board of directors and the amendment n°1 to the shared contracting ownership agreement.

1.1.2 AGREEMENT RELATING TO THE COMPENSATION FROM SOCIÉTÉ DU GRAND PARIS RELATED TO THE FEASIBILITY STUDIES FOR THE IMPLEMENTATION OF METRO N°17 (NORTH) AND ANCILLARY WORK AT THE PARIS- CHARLES DE GAULLE AIRPORT

Nature and purpose

Agreement relating to the compensation from Société du Grand Paris related to the feasibility studies for the implementation of metro n°17 (north) and ancillary work at the Paris- Charles de Gaulle airport.

Conditions

At its meeting on March 22, 2017 your board of directors authorized the conclusion of an agreement relating to the compensation from Société du Grand Paris related to the feasibility studies for the implementation of metro n°17 (north) and ancillary work at the Paris- Charles de Gaulle airport. This agreement was signed on July 12, 2017. The compensation, estimated to K€ 522 excluding taxes, covers, on one hand, all the feasibility studies related to the implementation of works (station and ancillary work) of metro n°17 (north) on the Paris- Charles de Gaulle platform or any action or expertise aimed at assisting the draft-design studies conducted by Société du Grand Paris, and, on the other hand, the feasibility studies related to the modifications of existing or future airport facilities by your company in order to enable the crossing of metro n°17 (north) and the construction of ancillary work.

Motivations demonstrating the benefit of this agreement for the company

Your Board of directors has motivated this agreement, given that the interest for your company to conclude with Société du Grand Paris the indemnification agreement for the feasibility studies for the implementation of metro line 17 (north) and its ancillary works, considering your company:

- ◇ benefits from the compensation of all costs and studies that would be incurred;
- ◇ make sure that the implementation of metro line 17 (north) and ancillary work will be made in conditions that are compatible with the proper operation of airport facilities. This connection to the Paris-Charles de Gaulle airport represents a strategic challenge for the development of its business.

1.1.3 AGREEMENT RELATING TO THE TERMS OF IMPLEMENTATION AND FUNDING OF STUDIES FOR ORLY AIRPORT HUB

Nature and purpose

Agreement between Aéroports de Paris, Société du Grand Paris and Syndicat des transports d'Ile-de-France (STIF) relating to the terms of implementation and funding of studies for Orly airport hub.

Conditions

At its meeting on June 21, 2017, your board of directors authorized the conclusion of an agreement, signed on September 4, 2017, relating to terms of implementation and funding of studies for Orly airport hub. Your board of directors also gave authority to the Chief Executive Officer for signing, with possibility to subdelegate, the agreement that may be adjusted as needed in the respect of interests of Paris Orly airport.

This agreement provides that:

- ◇ your company, as developer of the Paris Orly airport and unique contracting owner of the metro station that relates to the RTGPE in application of the agreement of shared contracting ownership signed on July 16, 2015, with Société du Grand Paris, will perform under its contracting ownership the studies for the Orly airport hub based on the below studies program organized in three phases;
- ◇ a first phase of analysis of the present installations and needs : diagnosis, issues and program of multimodality ;
- ◇ a second phase of proposal development with several scenarios (for instance, area of regulation of buses in Orly West or Orly South, soft modes of transport bikes, pedestrians);
- ◇ a third phase of formalization and validation of the development project;
- ◇ Société du Grand Paris will contribute to their funding by the mean of a grant of a maximal amount of K€ 100 excluding taxes

Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement given that the interest for your company to conclude with Société du Grand Paris and the STIF the agreement relating to the terms of implementation and funding of studies for Orly airport hub, considering the fact that your company will be able to make sure that the implementation of the future transportation hub in terms that are compatible with proper functioning of airport facilities, considering that this multimodality hub of the Orly airport constitutes a strategic challenge for the development of its business.

1.1.4 COMPENSATION FROM SOCIÉTÉ DU GRAND PARIS CONCERNING THE FEASIBILITY STUDIES RELATED TO THE IMPLEMENTATION OF SUBWAY N°17 (NORTH) AND ITS ANCILLARY WORKS ON LE BOURGET AIRPORT

Nature and purpose

Agreement relating to the compensation from Société du Grand Paris concerning the feasibility studies related to the implementation of subway n°17 (north) and its ancillary works on Le Bourget airport.

Conditions

At its meeting on July 24, 2017, your board of directors authorized an agreement relating to the compensation from Société du Grand Paris concerning the feasibility studies related to the implementation of subway n°17 (north) and its ancillary works on Le Bourget airport. This agreement was signed on September 21, 2017. The compensation, estimated at K€ 97.4 excluding taxes, covers, on one hand, all the feasibility studies related to the implementation of subway n°17 (north) and its ancillary works on Le Bourget airport or any action or expertise aimed at assisting the draft-design studies conducted by Société du Grand Paris and, on

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the other hand, feasibility studies relating to the modifications of airport facilities or to be performed by your company in order to enable the crossing of metro n°17 (north) and the construction of ancillary work.

Motivations demonstrating the benefit of this agreement for the company

Your Board of directors has motivated this agreement, given that the interest for your company to conclude with Société du Grand Paris the indemnification agreement for the feasibility studies for the implementation of metro line 17 (north) and its ancillary works, considering your company will be able to make sure that the implementation of metro line 17 (north) and ancillary work will be made in conditions that are compatible with the proper operation of airport facilities. This connection to the Le Bourget airport represents a strategic challenge for the development of its business.

1.2. With the French Institute, public body

Nature and purpose

Partnership agreement between your company and the French Institute, commercial and industrial public body, which is an operator of external promotion of French culture.

Conditions

At its meeting on June 21, 2017, your board of directors authorized a partnership agreement between your company and the French Institute that was signed on July 12, 2017. This agreement relates to exhibition of photography coming from the contest « Et en plus je parle français ! ».

The reciprocal services, priced to K€ 280 excluding taxes, consist mainly:

- ◇ for the French Institute, in promoting the brand « Paris Aéroport » on all its communication and promotion channels of the operation, the promotion of the partnership on the communication channel of the French Institute, the participation to the selection jury of nominees in May 2017, the provision of copyrights of the exhibition pictures;
- ◇ for your company, in providing for its network institutional tables of the Paris Charles-de-Gaulle and Paris-Orly airports, meaning 106 tables, for the period from July 13 to August 24 2017 (corresponding to 6 weeks) and taking care of the production of 106 tables.

Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement given the interest for your company of organizing an exhibition in its Paris Charles-de-Gaulle and Paris-Orly airports and benefiting from the visibility granted by the French Institute to your company as a partner.

1.3. With Direction Générale de la Gendarmerie Nationale

Nature and purpose

Agreement regarding a sale contract of safety equipment between your company and Direction Générale de la Gendarmerie Nationale.

Conditions

At its meeting on June 21, 2017, your board of directors authorized an agreement regarding the sale contract for free of safety equipment between your company and Direction Générale de la Gendarmerie Nationale, which have been fully financed by the security tax. This agreement was signed on July 12, 2017. Equipment concerned by this agreement are:

- ◇ A device of fluoroscopic imaging for baggage screening ;
- ◇ Two security gate of metallic mass

Motivations demonstrating the benefit of this agreement for the company

Your Board of Directors has given reasons for this agreement considering the fact that your company has no interest in retaining fully depreciated equipment that are no longer used in its facilities and has an interest in ensuring that the equipment used by the law enforcement bodies are secured to enable them to carry out their missions on the platforms as best as they can.

1.4. With SNCF Réseau and Caisse des Dépôts et Consignations, public bodies

Preamble

At its meeting on March 26, 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 May 16, 2014, this agreement defines, beyond the statutory rules, engagements and functions of each shareholder.

At its meeting on December 16, 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 March 2, 2016, it foresees the conditions of cooperation between SNCF Réseau and your company within the project company, which will have to be created no later than June 30, 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.

At its meeting on May 3, 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 n°1, signed on May 24, 2016, sets out that the parties shall undertake all the actions they can in order to create the project company before December 31, 2016 and to increase the preliminary global budget from M€ 12 to M€ 12.4 excluding taxes.

At its meeting on December 14, 2016, your board of directors authorized the conclusion of a second amendment in order to extend the terms of this shareholders' agreement to June 30, 2017, actualize the additional studies and capping the amount of expenses supported by each party as part of the project. The preliminary global budget, initially set up to M€ 12 excluding taxes, then increased to M€ 12.4 excluding taxes by amendment n°1, has been increased to M€ 49.1 excluding taxes by amendment n°2 until June 30, 2017.

Nature and purpose

Amendment n°3 between your company and SNCF Réseau and Caisse des Dépôts et Consignations to extend the duration of the protocol in order to carry on the rail connection "CDG Express" studies.

Conditions

At its meeting June 21, 2017, the board of directors authorized the conclusion of an amendment n°3 between your company and SNCF Réseau and Caisse des Dépôts et Consignations to extend the duration of the protocol until September 15, 2017, and update the content of the funding conditions of the additional studies that are necessary for the "CDG Express" project for an amount increased from M€ 49.1 to M€ 49.66. This amendment was signed on November 16, 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.

1.5. With Château, Musée et Domaine national de Versailles, public body

Nature and purpose

Sponsorship agreement between your company and Château, Musée et Domaine national de Versailles.

Conditions

At its meeting on October 18, 2017, your board of directors authorized the signature of a sponsorship agreement between your company and Château, Musée et Domaine national de Versailles that was signed on November 6, 2017, by which your company commits itself to make a grant of K€ 150 to the benefit of the public body.

Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement given the interest for your company in terms of visibility as sponsor of the exhibition "Visiteur de Versailles 1682-1789" organized by the Château, Musée et Domaine national de Versailles.

1.6. With the Muséum national d'Histoire naturelle, public body

Nature and purpose

Partnership agreement between your company and Muséum national d'Histoire Naturelle.

Conditions

At its meeting of October 18, 2017, your board of directors authorized the signature of a partnership agreement between your company and Muséum national d'Histoire Naturelle that was signed on October 16, 2017. The reciprocal services, priced to K€ 22 excluding taxes, consist mainly in:

- ◇ For the Muséum national d'Histoire Naturelle, free passes and catalogues of the exhibition and the visibility of your company as sponsor on the different communication channels of the « Météorites, Entre Ciel et Terre » exhibition;
- ◇ For your company, the promotion of the exhibition and the valorization of Muséum national d'Histoire naturelle on the different communication channels.

Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement given the interest for your company of being a partner of the « Météorites, Entre Ciel et Terre » exhibition organized by the Muséum national d'Histoire Naturelle.

1.7. With La Réunion des musées nationaux and Grand Palais, public body

Nature and purpose

Agreement relating to the transfer of copyrights of visuals of an exhibition named « Paris, peinture et photographie » by La Réunion des Musées Nationaux et du Grand Palais (RMN-GP).

Conditions

At its meeting on December 20, 2017, your board of directors authorized the signature of an agreement for the transfer of copyrights of visuals of an exhibition named « Paris, peinture et photographie » by La Réunion des Musées Nationaux et du Grand Palais that was signed on December 20, 2017. This agreement is intended to fix the financial terms of representation rights of visuals of the exhibition during two years for an amount of K€ 26, to the benefit of RMN-GP.

Motivations demonstrating the benefit of this agreement for the company

Your board of directors have motivated this agreement given the interest for your company to:

- ◇ Benefit of art works in each of its access tunnels of Satellite 4, since the exhibition is installed at this same place;

- ◇ Benefit from an exceptional and scenography exhibition delivered « clés en main » that help reducing the deployment costs;

- ◇ Representing the best of the Parisian culture in coherence with the « Paris Aéroport » cultural programming

1.8. With the musée national de la Renaissance au château d'Ecouen, public body represented by the Ministry of Culture

Nature and purpose

Sponsorship agreement between your company and musée national de la Renaissance au château d'Ecouen, represented by the Ministry of Culture.

Conditions

At its meeting on December 20, 2017, your board of directors authorized the signature of a sponsorship agreement between your company and musée national de la Renaissance au château d'Ecouen that was signed on December 20, 2017, by which your company committed itself to make a grant of K€ 20 excluding taxes to the benefit of the musée national de la Renaissance au château d'Ecouen. In counterpart, your company will benefit from the provision of areas for public relations, free passes and visibility as sponsor on all communication channels of the museum.

Motivations demonstrating the benefit of this agreement for the company

Your board of directors have motivated this agreement given the interest for your company to be a sponsor of the musée national de la Renaissance au château d'Ecouen, represented by the Ministry of Culture and Communication and to benefit from material services and visibility.

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2. With the City of Paris

Person concerned

- ◇ Mrs Anne Hidalgo, censor of the board of directors of your company and mayor of Paris.

Nature and purpose

Partnership agreement between your company and the City of Paris concerning the exhibition organized in terminal 1 of the Paris Charles de Gaulle airport.

Conditions

At its meeting on February 22, 2017, your board of directors authorized the signature of a partnership agreement between the collectivity of the City of Paris and your company that was signed on April 10, 2017. The reciprocal services, priced to K€ 120 excluding taxes, consist mainly in:

- ◇ For the City of Paris, (i) the transfer of copyrights of the exhibition for a duration of maximum two years, (ii) the provision of public relations areas in the Hôtel de Lauzun that is located on the Saint-Louis island in Paris (4th district) and (iii) the visibility of group ADP as a partner on its different communication channels;
- ◇ For your company, (i) the provision of an exhibition area located in terminal 1 of the Paris Charles-de-Gaulle airport (access tunnel of satellite 7) for a duration of at least two years starting February 2017, (ii) assuming the costs of printing and (iii) the installation of the exhibition and the communication around the exhibition.

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 develop an action that is in line with the commitments made with passengers to promote the culture in its airports.

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.

3.1.1. DIFFUSION OF COMMUNICATION CAMPAIGNS

Nature and purpose

Agreement relating to the diffusion of communication campaigns.

Conditions

At its meeting on October 18, 2017, your board of directors authorized the signature of a framework agreement between the company Média Aéroports de Paris and your company related to the diffusion of communication campaigns of your company. Your board of directors has also authorized the chief executive officer, with possibility of subdelegating his mandate, to sign purchase orders that may enable the provisioning of this framework agreement. This agreement, signed on October 19 2017, is intended to define the financial and commercial terms of diffusion of communication campaigns of your company on the commercial facilities of the company Média Aéroports de Paris on the platforms of Paris Charles-de-Gaulle, Paris-Orly and Paris-Le Bourget airports until December 31 2021, and provides that discounts of 40 % and 45 % compared to the standard tariffs excluding taxes of the

company Média Aéroports de Paris for the digital and non-digital formats, respectively, for the advertising channel.

Motivations demonstrating the benefit of this agreement for the company

Your board of directors has motivated this agreement given the interests for your company to benefit from favorable financial and economic terms offered by the company Média Aéroports de Paris for the advertising displays on the platforms of Paris-Charles de Gaulle, Paris-Orly, Paris-Le Bourget airports.

3.1.2. PROVISION OF ADVERTISING MATERIAL FOR THE « AIRPORT STARTUP DAY » EVENT

Nature and purpose

Agreement relating to the provision of advertising material for the "Airport Startup Day" event from JC Decaux.

Conditions

At its meeting on October 18, 2017, your board of directors authorized an agreement with Média Aéroports de Paris company. This agreement sets out the utilization of digital screens and paper of JC Decaux in the airports as part of a communication campaign for "Airport Startup Day" event.

Motivations demonstrating the benefit of this agreement for the company

Your Board of Directors has motivated this agreement given the financial and economic interest for Aéroports de Paris to benefit free of charge from the broadcasting of its communication campaign relating to the «Airport Startup Day» event on 70-inch screens located within Paris-Charles de Gaulle airport operated by the joint venture Média Aéroports de Paris.

Agreements already approved by the general meeting of shareholders for the year ended December 31, 2016 and submitted again for approval by the general meeting of shareholders

We have been notified of the following related party agreements, authorized in 2016 and concluded during the past fiscal year, that have already been approved by the general meeting of shareholders for the year ended December 31, 2016, and that are submitted again for approval by the general meeting of shareholders.

1. With the State, the main shareholder of your company or with public bodies

Person concerned

The State represented by the administrators mentioned in paragraph 1 of the first section of this report.

1.1. With the Ministry of the Interior

Nature and purpose

Agreement regarding the provision of systems using the PARAFE treatment (rapid external border processing).

Conditions

At its meeting on December 14, 2016, your board of directors authorized the conclusion of an agreement formalizing the collaboration between your company and the Ministry of the Interior regarding the renewal program and the deployment of sas PARAFE. This agreement, signed on January 4, 2017, provides with the terms on which the implementation, communication, governance and funding of the program may be carried out and is initiated for a 5-year period tacitly renewable for the same period. It is reminded that your company has decided to bear the totality of the funding of the sas PARAFE, considering that this program was in line with the public interest, from your company's stand point, as well as from the State's stand point, and it re-enforces the attractiveness of its platforms.

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.

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.

1.2. With the Ministry of Europe and Foreign Affairs

Conditions

At its meeting on December 14, 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 Europe and Foreign Affairs. This contract was signed on January 31, 2017. The characteristics of the procurement contract are as follows:

- For the services performed to the benefit of public figures designated by the Ministry of Europe and Foreign Affairs, 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

2.1 With the company La Poste

2.1.1 AGREEMENT REGARDING THE SIGNATURE OF A LEASER 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 June 29, 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.

2.1.2 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 October 19, 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.

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Agreements and commitments already approved by the general meeting of shareholders

Agreements and commitments approved in prior years

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 represented by the administrators mentioned in paragraph 1 of the first section of this report.

1.1. Framework agreement entered into with the State, in accordance with article 43 of your company's conditions of the contract

1.1.1. LEASES ENTERED INTO WITH THE FRENCH MINISTRY OF ECOLOGICAL AND JOINT TRANSITION, - 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 ecological and joint transition - Civil Aviation Authority (DGAC), and the civil code leases entered into in accordance with this agreement.

Conditions

At its meeting on September 27, 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 April 20, 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 December 31, 2009 and December 31, 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 December 31, 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 January 1, 2013, as the parties have noticed that a significant number of projects have been deferred and/or will be performed after December 31, 2012, which is the end date of the general agreement of October 26, 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.

1.1.2. LEASES ENTERED INTO WITH THE FRENCH MINISTRY OF THE INTERIOR

Nature and purpose

These agreements set out the framework and the conditions governing the grant of use of buildings by your company to the State represented by the French Ministry of the Interior, in accordance with article 43 of the conditions of the contract, as well as leases entered into in accordance with these agreements.

Conditions

At its meeting on December 17, 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 May 5, 2010, were entered into on March 5, 2015, are effective from January 1, 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 March 5, 2015.

These authorizations are granted until December 31, 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 December 31, 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 June 28, 2007, your board of directors authorized an agreement with the State. This agreement was entered into on July 27, 2007 with retroactive effect from January 1, 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 July 21, 2035.

Your company receives remuneration based on the costs incurred for the services it provides. In accordance with the financial agreement signed on April 27, 2015, and its rider signed on December 15, 2015, pursuant to the framework agreement, for financial year 2017, your company invoiced the State K€ 16 294 excluding VAT for the services provided.

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 October 30, 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. 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 July 29, 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 August 31, 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.

1.5. With Société du Grand Paris, public agency

1.5.1. 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 June 17, 2015, your board of directors authorized the signature of an amendment, signed on July 16, 2015, to the compensation agreement that was signed on January 9, 2015, in order to increase the compensation from K€ 15,825 to K€ 24,181 excluding taxes.

1.5.2. 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 June 17, 2015, your board of directors authorized the conclusion of an agreement, signed on July 16, 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.

1.6. Agreement with the National Film and Moving Image Centre, public agency

Nature and purpose

Agreement regarding the sale of the previous headquarters of your company located at 291, boulevard Raspail - Paris (14e).

Conditions

At its meeting on March 25, 2015, your board of directors authorized the conclusion of an agreement for the sale of the previous headquarters of your company located at 291, boulevard Raspail - Paris (14e) to the benefit of the National Film and Moving Image Centre for an amount of M€ 52. This agreement expired at the time of the takeover of the premises by the National Film and Moving Image Centre during the month of March 2017.

1.7. 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 December 20, 2012, your board of directors authorized an agreement with Météo France, signed on March 15, 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.

1.8. 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 March 26, 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 May 16, 2014, defines, beyond the statutory rules, engagements and functions of each shareholder.

At its meeting on July 8, 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 October 12, 2015.

At its meeting on December 14, 2016, your board of directors authorized the signature of an amendment to this shareholders' agreement, signed on October 25, 2017, the purpose of which is to extend the life of the CDG Express Etudes S.A.S. company for one additional year, meaning until December 31, 2017 and this considering the calendar of the project. The creation of the project company, which will have for one of its first actions to redeem the studies performed since 2014, cannot happen before December 31, 2016, end date of the studies company.

1.9. Agreements entered into with Régie autonome des transports parisiens (RATP), public body and Syndicat des Transports d'Ile-de-France (STIF)

Person concerned

Mr. de Romanet, chief executive officer of your company and administrator of RATP.

1.9.1. 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 June 18, 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 October 7, 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;
- ◇ distribute 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.

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1.9.2. TERMS AND CONDITIONS OF OPERATING AND MAINTENANCE OF WORKS AND FACILITIES DEDICATED TO OPERATION OF T7 TRAMWAY

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 June 29, 2016, your board of directors authorized the conclusion of an operating and maintenance agreement. The purpose of the agreement, signed on December 1, 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.

1.10. 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 June 18, 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 February 16, 2016, your board of directors authorized the (tacit) extension of the agreement until October 19, 2018; indeed, this agreement, which was effective for a 3-year period from October 20, 2009, may be extended by tacit agreement for consecutive 3-year periods.

The agreement, signed on October 17, 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.

1.11. Agreement with the State on Rescue and Fire Fighting Services 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.

At its meeting on December 15, 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 February 16, 2016, your board of directors authorized the (tacit) extension of the agreement until February 10, 2018; indeed, this agreement, which was effective for a 3-year period from February 11, 2012, may be extended by tacit agreement for consecutive 3-year periods.

The agreement, signed on February 11, 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.

1.12. 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 February 16, 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 February 23, 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 July 31, 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.

1.13. 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 February 16, 2016, your board of directors authorized the conclusion of an agreement relating to the partnership with Musée du Louvre, signed on February 23, 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 September 16, 2015.

1.14. 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 March 16, 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 January 18, 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 May 26, 1976.

1.15. With l'Ecole nationale supérieure Louis-Lumière, public body

Nature and purpose

Agreement aimed at sponsoring l'Ecole nationale supérieure Louis-Lumière (ENS Louis-Lumière) and helping to expand the influence of the Groupe ADP and Paris Aéroports' brands.

Conditions

At its meeting on June 29, 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 the 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 July 12, 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.

1.16. 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 June 29, 2016, your board of directors authorized the conclusion of an agreement, signed on July 6, 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 June 30, 2016, and bearing the costs related to printing and setting up the exhibition and the communication on the exhibition and the public agency.

1.17. 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 October 19, 2016, your board of directors authorized the conclusion of an agreement, signed on December 7, 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.

1.18. With the State, French Air Navigation Direction "DNSA"

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 October 19, 2016, your board of directors authorized the conclusion of an agreement, signed on October 20, 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.

1.19. With the Ministry of Armies

Nature and purpose

Agreement with the Ministry of Armies - 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 December 14, 2016, your board of directors authorized the conclusion of an agreement with the Ministry of Armies - Air Command Force -, signed on December 15, 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.

2. With companies of which the State is also shareholder, directly or indirectly

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 May 18, 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 June 29, 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.

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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 June 17, 2015, your board of directors authorized the signature of an agreement, signed on July 28, 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.

2.3. 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 Worldwilde", as part of an action of promotion of the French destination abroad.

Conditions

At its meeting on June 29, 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 Worldwilde", as part of the action of promotion of the French destination abroad. This agreement, signed on October 24, 2016, provides in particular that the partnership lasts one year with a possibility of renewal, the conditions of utilization of the 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).

2.4. 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 July 28, 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 July 28, 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).

3. With Schiphol Group NV, minority shareholder of your company

Persons concerned

◇ Messrs. Nijhuis and de Groot, administrators or 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 Altaï & Transport real estate operations.

Conditions

At its meeting on January 18, 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.
- ◇ "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.

These agreements have been concluded for a sixteen-year period starting from the date of signature, i.e. February 1, 2012, and can be renewed every five years by tacit renewal. Your board of directors at its meeting on February 22, 2018 authorized renewal by tacit of these agreements.

4. With companies that have common administrators with your company

4.1. 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 and Finances, 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 November 14, 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 December 1, 2008.

4.2. 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 February 12, 2015, your board of directors authorized the conclusion of the construction contracts with Hervé S.A. and TAV Construction during the meeting of February 19, 2015. The constructions contracts were signed on February 23, 2015.

The construction contracts amount to K€ 55,739 for the first two buildings and K€ 32,128 for the third building.

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.

1. With the State, the main shareholder of your company or with public bodies

Person concerned

The State represented by the administrators mentioned in paragraph 1 of the first section of this report.

1.1. Agreement entered into with the State represented by the Ministry of ecological and joint transition – 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 ecological and joint transition, Civil Aviation Authority).

Conditions

At its meeting on June 28, 2012, your board of directors authorized the conclusion of an agreement, signed on November 2, 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 October 14, 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) and 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.

1.2. 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 June 17, 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 September 30 2015, 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.

2. With Vinci Immobilier Développement Hôtel and Vinci Immobilier entities that are subsidiaries of Vinci S.A. administrator of your company

Person concerned

Mr. Xavier Huillard, permanent representative of Vinci S.A. is Chief Executive Officer of Vinci S.A. which is administrator of your company, and also Chief Executive Officer of Vinci S.A.

Nature and purpose

An agreement has been signed between your company and Vinci Immobilier Développement Hôtel and Vinci Immobilier concerning a project of implementation a four star hotel (MELIA) to Paris Charles-de-Gaulle airport.

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Conditions

At its meeting on June 29, 2016, your board of directors authorized the signature of an agreement with Vinci Immobilier Développement Hôtel and Vinci Immobilier and all ensuing contracts, to set an investment

of extern development by its subsidiary, which is project owner, for transaction that consist in MELIA hotel construction at Paris Charles-de-Gaulle airport for a maximum amount of M€ 45.

Neuilly-sur-Seine and Paris-La Défense, April 3, 2018

The statutory auditors

French original signed by

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

Christophe Patrier

Olivier Broissand

Jacques Pierres

Alban de Claverie

Appendix 1.1 : Table of regulated agreements authorised in 2017

Date of Board meeting	Contracting party	Status of the contracting party warranting prior authorisation	Contract	Description	Amount	Duration	Comments	Date of signature
29/06/2016	La Poste (CDG)	French State	Lease for the purpose of providing La Poste with a space in the MN Module at Paris-CDG to operate a post office	Revenue-based contract	"7 years after the opening of the post office (expected in 2017)"	60% reduction on premises rented. This post office will replace the two existing post offices in T1 and T2D.	60% reduction on premises rented. This post office will replace the two existing post offices in T1 and T2D.	18/09/17
19/10/2016	La Poste (ORY)	French State	Lease for the purpose of providing a space in the West Terminal at Paris-Orly to operate a post office	Revenue-based contract			Underway	15/11/17
22-févr.-17	SGP		Rider No. 1 to the Co-Contracting Agreement between Société du Grand Paris and Aéroports de Paris (Groupe ADP) for the construction of a station at Paris-Orly airport to accommodate metro lines 14 & 18					01/03/17
	City of Paris		Regulated agreement on the prospective partnership with the City of Paris concerning the exhibition held in Terminal 1 at Paris-Charles de Gaulle					10/04/17
	SGP	Public body	Regulated agreement between Aéroports de Paris and Société du Grand Paris (SGP) concerning compensation by SGP for all feasibility studies concerning the implementation of metro line 17 North and its ancillary works at Paris-Charles de Gaulle airport					22/03/17

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Date of Board meeting	Contracting party	Status of the contracting party warranting prior authorisation	Contract	Description	Amount	Duration	Comments	Date of signature
21/06/17	The Institut français	Public body	Regulated agreement relating to the partnership with Institut français, a public industrial and commercial body tasked with overseeing France's cultural activities in foreign countries					12/07/17
	Gendarmerie	French State	Contract for the sale of security equipment between Aéroports de Paris and the Gendarmerie Nationale					12/07/17
	SGP and STIF	SGP: Public body	Regulated agreement between Aéroports de Paris, Société du Grand Paris (SGP) and Syndicat des Transports d'Ile-de-France (STIF) governing the terms and conditions for completion and financing of studies at the Orly Airport hub					04/09/17
	SNCF Réseau and CDC	Public bodies	Rider No.3 to extend the duration of the Memorandum of Understanding between Aéroports de Paris, SNCF Réseau and Caisse des Dépôts et Consignations concerning the continuation of studies related to the CDG Express project					undated (email sent on 16 November 2016)
24/07/17	SGP	Public body	Agreement between Aéroports de Paris and Société du Grand Paris (SGP) concerning compensation by SGP for all feasibility studies concerning the implementation of metro line 17 North and its ancillary works at Paris-Le Bourget airport					21/09/17

Date of Board meeting	Contracting party	Status of the contracting party warranting prior authorisation	Contract	Description	Amount	Duration	Comments	Date of signature
18/10/17	Château, Musée et domaine national de Versailles	Public body	• Sponsorship agreement between Aéroports de Paris and the administrative public body covering the château, museum and national estate of Versailles					06/11/17
	Muséum national d'Histoire naturelle	Public body	• Partnership agreement between Aéroports de Paris and the public body governing the French Museum of Natural History					16/10/17
	MAP	CEO of ADP	• Prior authorisation of the Board of Directors to sign a regulated agreement with Média Aéroports de Paris on the provision of advertising media as part of the "Airport Startup Day" event					30/10/17
	MAP	CEO of ADP	Prior authorisation of the Board of Directors to sign a regulated agreement with Média Aéroports de Paris to handle the distribution of Aéroports de Paris' communication campaigns					19/10/17
	French State	Réunion des musées nationaux et du Grand Palais	Regulated agreement between Aéroports de Paris and Réunion des Musées Nationaux – Grand Palais on the transfer of rights to the visuals of the exhibition entitled "Paris, peinture et photographie" (Paris, painting and photography)					20/12/17



List of new leases and amendments entered into during the 2017 financial year with the government in accordance with framework agreements authorised by the Board of Directors of Aéroports de Paris¹

Leases entered into with the government - French Minister of the Interior

in accordance with Article 43 of the Aéroports de Paris specifications as part of the 2015 Memorandum of Understanding with the Police agencies (ending on 31/12/2019)

// TABLE 1: AMENDMENTS TO EXISTING LEASES SIGNED DURING THE 2017 FINANCIAL YEAR

Airport	Building	Agreement no.	Date Effective	Date of signature
Paris-Orly	400	21 CI 0934	09/01/2017	In progress
Paris-Orly	400	21 CI 0935	09/01/2017	In progress
Paris-Orly	402	CI049	09/01/2017	In progress
Paris-Charles de Gaulle	2E	31CI1352	08/09/2017	In progress

// TABLE 2: NEW LEASES ENTERED INTO DURING THE 2017 FINANCIAL YEAR

Airport	Building	Agreement no.	Duration	Financial terms	Date Effective	Date of signature
Paris-Charles de Gaulle	3702	CDGE-31 CI 1510	2 years 8 months	60% reduction on the rent	03/04/2017	29/03/2017
Paris-Orly	293	21CI1016	7 months	40% reduction on the rent	02/05/2017	09/05/2017

Leases entered into with the government - French Ministry for the Economy and Finance

in accordance with Article 43 of the Aéroports de Paris specifications as part of the 2015 Memorandum of Understanding with the Customs agencies (ending on 31/12/2019)

// TABLE 1: AMENDMENTS TO EXISTING LEASES SIGNED DURING THE 2017 FINANCIAL YEAR

Airport	Building	Agreement no.	Date Effective	Date of signature
Paris-Charles de Gaulle	Terminal 1	31 CI 1399	08/03/2017	08/09/2017
Paris-Charles de Gaulle	Terminal 2 hall M	31 CI 1358	30/06/2017	28/08/2017
Paris-Orly	402	21 CI 050	01/01/2015	25/08/2017

// TABLE 2: NEW LEASES ENTERED INTO DURING THE 2017 FINANCIAL YEAR

Airport	Building	Agreement no.	Duration	Financial terms	Date Effective	Date of signature
Paris-Charles de Gaulle	3452	31 CI 1521	1 year	40% reduction on the rent	01/11/2017	NA
Paris-Charles de Gaulle	2E hall L	31 CI 1357	30/06/2017*	40% reduction on the rent	30/06/2017	28/08/2017
Paris-Charles de Gaulle	2E hall L	31 CI 1358	30/06/2017*	40% reduction on the rent	30/06/2017	28/08/2017

¹ Please note that some leases were entered into with retroactive effect..

Leases entered into with the government - French Ministry for the Ecological and Inclusive Transition in accordance with Article 43 of the Aéroports de Paris specifications as part of the Agreement signed with the DGAC on 26 October 2007 (ending on 31 December 2017)

Airport	Building	Agreement no.	Duration	Financial terms	Date Effective	Date of signature
Paris-Charles de Gaulle	3702	31 CI 1518	5 years 3 months	20% reduction on the rent	15/09/2017	03/10/2017
Paris-Charles de Gaulle	CDGA-C	31 CI0151	NA	NA	10/10/2017	In the process of being signed

Appendix 1.3: List of new leases entered into before the 2017 financial year with the government in accordance with framework agreements authorised by the Board of Directors of Aéroports de Paris and continuing during the 2017 financial year

Leases entered into with the government - French Ministry for the Economy and Finance prior to 2017 and continuing during the 2017 financial year

in accordance with Article 43 of the Aéroports de Paris specifications as part of the 2015 Memorandum of Understanding signed on 5 March 2015 with the Customs agencies (ending on 31/12/2019)

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Aerodrome	Building	Agreement no.	Rent recognised ¹ in 2017 (in € excluding VAT)	Reinvoicing of Expenses in 2017 ² (in € excluding VAT)	Duration	Financial terms	Effective date	Date of signature
Paris-Charles de Gaulle	12.00 E	CDGE-31 CI1356(1)	218,069.35	928,22.17	5 years	60% reduction on the rent	01/01/2015	08/06/2015
Paris-Charles de Gaulle	12.00 F	CDGE-31 CI1355(1)	94,453.11	45,123.33	5 years	60% reduction on the rent	01/01/2015	08/06/2015
Paris-Charles de Gaulle	12.33 (S3)	CDGE-31 CI1357	7,964.00	4,059.08	5 years	60% reduction on the rent	01/01/2015	08/06/2015
Paris-Charles de Gaulle	12.61 P	CDGE-31 CI1360	41,270.32	15,592.28	5 years	60% reduction on the rent	01/01/2015	08/06/2015
Paris-Charles de Gaulle	12.00 G	CDGE-31 CI1359	7,019.88	3,185.96	5 years	60% reduction on the rent	01/01/2015	08/06/2015
Paris-Charles de Gaulle	12.34 (S4)	CDGE-31 CI1358	3,822.16	1,810.28	5 years	60% reduction on the rent	01/01/2015	08/06/2015
Paris-Charles de Gaulle	1200 and 1259 LAC	CDGA-31 CI0142	233,017.26	160,709.61	5 years	60% reduction on the rent	01/01/2015	06/07/2015
Paris-Charles de Gaulle	14.00 and 14.01	CDG1-31 CI1397	67,273.62	44,520.56	5 years	60% reduction on the rent	01/01/2015	08/06/2015
Paris-Charles de Gaulle	11.00	CDG1-31 CI1399	96,675.96	85,326.20	5 years	60% reduction on the rent	01/01/2015	08/06/2015
Paris-Charles de Gaulle	1226	CDGA-31 CI0221	51,208.93	26,164.45	5 years	60% reduction on the rent	08/01/2016	28/10/2016
Paris-Charles de Gaulle	NA	CDGA-31 CI0042	77,304.96	51,016.56	NA	60% reduction on the rent	NA	NA

¹ Please note that the rents recognised and the amount of the invoiced expenses incorporate the financial terms and conditions outlined by the amendments made in 2015.

² Idem and listed in Table 2 below.

Aerodrome	Building	Agreement no.	Rent recognised ¹ in 2017 (in € excluding VAT)	Reinvoicing of Expenses in 2017 ² (in € excluding VAT)	Duration	Financial terms	Effective date	Date of signature
Paris-Charles de Gaulle	3416	IMON-31 CI1421	65,877.00	37,010.00	5 years	60% reduction on the rent	01/01/2015	30/06/2015
Paris-Charles de Gaulle	3609	IMON-31 CI1422	88,994.40	61,348.20	5 years	60% reduction on the rent	01/01/2015	08/06/2015
Paris-Charles de Gaulle	7610	IMON-31 CI1426	72,639.08	34,960.76	5 years	60% reduction on the rent	01/01/2015	NA
Paris-Charles de Gaulle	3700	IMON-31 CI1430	77,518.28	50,570.80	5 years	60% reduction on the rent	01/01/2015	15/06/2015
Paris-Charles de Gaulle	3417	IMON-31 CI1431	11,704.92	8,386.88	5 years	60% reduction on the rent	01/01/2015	08/06/2015
Paris-Orly	288	IMOS21 CI0990	130,625.44	79,425.00	5 years	60% reduction on the rent	01/01/2015	20/10/2015
Paris-Orly	400	21 CI0931	138,463.32	79,222.44	5 years	60% reduction on the rent	01/01/2015	22/09/2015
Paris-Orly	400	21 CI0932	57,631.60	44,535.29	5 years	60% reduction on the rent	01/01/2015	NA
Paris-Orly	402	ORYW-21 CI050	43,766.14	36,305.42	5 years	60% reduction on the rent	01/01/2015	01/12/2015
Paris-Orly	Car park 517	21 CI0433	8,792.52	0	9 years	60% reduction on the rent	01/01/2009	19/01/2010
Paris-Orly	Land 517	IMOS-21 CI0611	0	40,901.04	30 years	60% reduction on the rent	NA	28/11/2008

¹ Please note that the rents recognised and the amount of the invoiced expenses incorporate the financial terms and conditions outlined by the amendments made in 2015.

² Idem and listed in Table 2 below.

Leases entered into with the government - French Minister of the Interior prior to 2017 and continuing during the 2017 financial year

in accordance with Article 43 of the Aéroports de Paris specifications as part of the Memorandum of Understanding of 5 March 2015 with the Police agencies (ending on 31/12/2019)

Aerodrome	Building	Agreement no.	Rent recognised in 2017 (in € excluding VAT)	Reinvoicing of expenses in 2015 (in € excluding VAT)	Duration	Financial terms	Effective date	Date of signature
Paris-Charles de Gaulle	1200 and 1259 LAC	CDGA-31CI0143	232,356.42	161,050.12	5 years	60% reduction on the rent	01/01/2015	27/08/2015
Paris-Charles de Gaulle	34 57 C	31 CI1114	0	2,014.05	5 years	60% reduction on the rent	01/01/2010	17/03/2015
Paris-Charles de Gaulle	12.00 E	CDGE-31 CI1352 Amendment 1	171,219.63	89,748.32	5 years	60% reduction on the rent	01/01/2015	01/01/2015
Paris-Charles de Gaulle	12.00 F	CDGE-31 CI1351	63,270.36	44,574.24	5 years	60% reduction on the rent	01/01/2015	01/01/2015
Paris-Charles de Gaulle	12.33 (S3)	CDGE-31 CI1353	23,491.16	14,567.36	5 years	60% reduction on the rent	01/01/2015	01/01/2015
Paris-Charles de Gaulle	12.00 G	CDGE-31 CI1354	11,242.28	8,001.28	5 years	60% reduction on the rent	01/01/2015	01/01/2015
Paris-Charles de Gaulle	NA	CDG1-31 CI1396	12,351.64	10,803.84	5 years	60% reduction on the rent	01/01/2015	01/01/2015
Paris-Charles de Gaulle	NA	CDG1-31 CI1398	75,501.48	56,329.20	5 years	60% reduction on the rent	01/01/2015	01/01/2015
Paris-Charles de Gaulle	NA	CDGA-31 CI0143	190,284.51	134,080.82	5 years	60% reduction on the rent	01/01/2015	01/01/2015
Paris-Charles de Gaulle	5720	IMON-31 CI1416	8,677.76	5,968.72	5 years	60% reduction on the rent	01/01/2015	24/08/2015
Paris-Charles de Gaulle	5740	IMON-31 CI1417	27,567.28	28,426.12	5 years	60% reduction on the rent	01/01/2015	24/08/2015
Paris-Charles de Gaulle	3418B	IMON-31 CI1432	11,712.16	9,365.32	5 years	60% reduction on the rent	01/01/2015	24/08/2015
Paris-Charles de Gaulle	3421G	IMON-31 CI1433	11,668.00	7,162.56	5 years	60% reduction on the rent	01/01/2015	24/08/2015

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Aerodrome	Building	Agreement no.	Rent recognised in 2017 (in € excluding VAT)	Reinvoicing of expenses in 2015 (in € excluding VAT)	Duration	Financial terms	Effective date	Date of signature
Paris-Charles de Gaulle	6197	IMON-31 CI1453	67,903.64	12,689.22	22 months	60% reduction on the rent	01/01/2015	13/11/2015
Paris-Charles de Gaulle	11.00	CDG1-31 CI1398	75,797.04	77,718.56	5 years	60% reduction on the rent	01/01/2015	08/06/2015
Paris-Charles de Gaulle	11.00	CDG1-31 CI1404 (DGS1)	2,806.76	3,006.20	5 years	60% reduction on the rent	01/01/2015	27/08/2015
Paris-Charles de Gaulle	14.00 and 14 01	CDG1-31 CI1396	12,400.00	9,391.44	5 years	60% reduction on the rent	01/01/2015	27/08/2015
Paris-Orly	400	21 CI0936 Amendment 1	17,764.28	10,971.10	5 years	60% reduction on the rent	01/01/2015	NA
Paris-Orly	400	21 CI0940	52,819.36	26,780.00	5 years	60% reduction on the rent	01/01/2015	NA
Paris-Orly	400	21 CI0934	202,729.87	140,921.59	5 years	60% reduction on the rent	01/01/2015	22/10/2015
Paris-Orly	400	21 CI0935	208,348.95	162,204.31	5 years	60% reduction on the rent	01/01/2015	04/12/2015
Paris-Orly	402	ORYW21 CI049	31,619.02	27,364.22	5 years	60% reduction on the rent	01/01/2015	NA
Paris-Orly	820	ORYS 21 CI0939	21,604.00	1,218.00	5 years	60% reduction on the rent	01/01/2015	08/07/2015

Leases entered into with the government - French Ministry for the Ecological and Inclusive Transition prior to 2017 and continuing during the 2017 financial year

in accordance with Article 43 of the Aéroports de Paris specifications as part of the Agreement signed with the DGAC on 26 October 2007 (ending on 31 December 2017)

Aerodrome	Building	Agreement no.	Rent recognised in 2016 (in € excluding VAT)	Reinvoicing of expenses in 2016 (in € excluding VAT)	Duration	Financial terms	Effective date	Date of signature
Paris-Charles de Gaulle	12 61 P	31 CI0563 Amendment 1	58,173.52	14,661.56	5 years	40% reduction on the rent on the premises and 10% reduction on vehicle sites	NA	NA
Paris-Charles de Gaulle	57 40	IMON-31CI0580 Amendment	5,963.16	3,866.66	5 years	20% reduction on the rent	01/01/2013	27/09/2013
Paris-Charles de Gaulle	Land 80 02 and 03	IMON-31CI0581	0	-2,636.00	7 years 5 months	Provided free of charge	NA	NA
Paris-Charles de Gaulle	Land 71 01	IMON-31CI0583	0	0	30 years renewable	Provided free of charge as per Art. 43-I of specifications	NA	NA
Paris-Charles de Gaulle	3630	IMON-31CI0541 Amendment	51,486.72	30,919.56	5 years	20% reduction on the rent	01/01/2013	20/09/2013
Paris-Charles de Gaulle	3520	IMON-31CI0540 Amendment	61,995.80	38,419.76	5 years	20% reduction on the rent	01/01/2013	20/09/2013
Paris-Orly	Land 808	IMOS-21CI0435	13,714.12	84.64	5 years	10% reduction on the rent on the land	01/01/2013	27/06/2013
Paris-Orly	673	21CI0440			5 years	20% reduction on the rent	NA	NA
Paris-Orly	Land 828-829	IMOS-21CI0436	0	620.00	7 years 5 months (?)	Provided free of charge	01/01/2013	27/06/2013
Paris-Orly	Land 281	IMOS-21CI0450	0	6,389.00	30 years renewable	Provided free of charge as per Art. 43-I of specifications	22/07/2005	30/09/2009
Paris-Le Bourget	Land 406	41 CI 0045	16,759.44	0	NA	10% reduction on the rent on the land	NA	01/01/2008
Issy	Building 1	5332	5,220.60	0	6 years	20% reduction	31/01/2012	04/02/2013
Toussus	Land 127	54 CI 0013	22,605.48	0	NA	10% reduction on the rent on the land	NA	01/01/2008

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Appendix 1.4: Related party agreements entered into directly or indirectly with the French State authorised during previous years and which continued during 2017

1. Framework agreement entered into with the French State pursuant to Article 43 of Aéroports de Paris' specifications

Agreement signed on 26 October 2007 with the French Ministry of Ecology, Sustainable Development and Planning - Directorate General for Civil Aviation (expiring on 31 December 2017), governing the legal and financial conditions for the occupation of premises and parking spaces by the Directorate General for Civil Aviation (DGAC). Such occupation is the subject of civil leases entered into pursuant to these agreements.

2. Framework agreement entered into with the French State pursuant to Article 36 of Aéroports de Paris' specifications

Agreement signed on 27 July 2007 with the French Ministry of Ecology, Sustainable Development and Planning - Air Navigation Services Division (DSNA) (expiring on 21 July 2035 at the latest), governing the legal and financial conditions for the occupation of premises and parking spaces by the DSNA. Such occupation is the subject of civil leases entered into pursuant to these agreements.

3. Framework agreement entered into with the French State pursuant to Article 43 of Aéroports de Paris' specifications, relating to the terms and conditions for the occupation of premises and parking spaces in public car parks belonging to Aéroports de Paris

Agreement signed on 5 March 2015 with the French Ministry of the Economy and Finance (expiring on 31 December 2019), governing the legal and financial conditions for the occupation of premises and parking spaces by Customs departments. Such occupation is the subject of civil leases entered into pursuant to these agreements.

4. Framework agreement entered into with the French State pursuant to Article 43 of Aéroports de Paris' specifications, relating to the terms and conditions for the occupation of premises and parking spaces in public car parks belonging to Aéroports de Paris

Agreement signed on 5 March 2015 with the French Ministry of the Interior (expiring on 31 December 2019), governing the legal and financial conditions for the occupation of premises and parking spaces by the DPAF (Border Police Division). Such occupation is the subject of civil leases entered into pursuant to these agreements.

5. Contract relating to the provision by the French State of the land on which Building 517 at Paris-Orly Airport stands and the adjoining land used for parking

Lease entered into between the French State and Aéroports de Paris on 28 November 2008.

6. Agreement relating to assistance given by Aéroports de Paris to fire fighting and personal emergency assistance at Paris-Orly Airport

Agreement signed on 11 February 2012 with the French State, laying down the terms and conditions under which Aéroports de Paris contributes its operational assistance to conducting fire fighting operations (excluding aircraft) and personal emergency assistance at Paris-Orly Airport.

7. Agreement relating to fire fighting and personal emergency assistance at Paris-Charles de Gaulle Airport

Agreement signed on 20 October 2009 with the French State, laying down the terms and conditions under which Aéroports de Paris contributes its operational assistance to conducting fire fighting operations (excluding aircraft) and personal emergency assistance at Paris-Charles de Gaulle Airport.

8. Agreement entered into between Aéroports de Paris and the Centre National du Cinéma et de l'image animée (CNC) relating to the disposal of the Aéroports de Paris registered office

Notarised deed relating to the sale to the Centre National du Cinéma (CNC) of the Aéroports de Paris registered office located at 291 Boulevard

Raspail, 75014 Paris, in the amount of €52,000,000 (term expired upon the CNC's taking possession of the registered office in March 2017).

9. Agreement signed between Aéroports de Paris and the French State represented by the Ministry of Ecology, Sustainable Development and Energy, Directorate General for Civil Aviation, relating to the exchange of land and buildings

Agreement entered into on 2 November 2012 laying down the terms and conditions under which land and buildings no longer used by the French State (DGAC) will be transferred and reintegrated into Aéroports de Paris' land assets, and land and buildings belonging to Aéroports de Paris will be transferred and integrated into the French State's (DGAC) land assets.

10. Agreement entered into between Météo France and Aéroports de Paris relating to meteorological services for air navigation

Agreement entered into on 15 March 2013 laying down the meteorological services for air navigation to be provided by Météo France to Aéroports de Paris and the services provided by the latter to Météo France to enable it to carry out its meteorological assistance assignments.

11. Agreement entered into between Aéroports de Paris and the French State relating to the relocation, maintenance and operation of an Instrument Landing System (ILS) at the Pontoise-Cormeilles en Vexin aerodrome

Agreement entered into on 20 October 2016 setting the conditions for relocating works and for maintenance operations on the ILS at the Pontoise-Cormeilles en Vexin aerodrome for a duration of five years.

12. Agreement entered into between Aéroports de Paris and the French State relating to season ticket conditions for the PR car park at Paris-Charles de Gaulle Airport

Agreement signed on 15 December 2016 for a duration of five years setting a discount rate of 70% on public season ticket rates for the PR car park at Paris-Charles de Gaulle Airport, applicable to the French State (Ministry of Defence).

13. Agreement entered into between Aéroports de Paris and the French State relating to the provision of facilities using the PARAFE system

Partnership agreement entered into on 4 January 2017 for a duration of five years, tacitly renewable, between Aéroports de Paris and the French State (Ministry of the Interior) for the programme to renew and operate the PARAFE automatic gate system.

14. Agreement between Aéroports de Paris, the French State and SNCF Réseau relating to the shareholder agreement for the company CDG Express Etudes SAS

Agreement with the aim of defining the relationship between the associates of the company CDG Express Etudes.

An addendum to this agreement was signed on 12 October 2015 for the purpose of modifying the financial conditions applicable to the feasibility studies conducted under the various terms and conditions relating to the implementation of the CDG Express project and to define a supplementary budget, financed equally by Aéroports de Paris and SNCF Réseau, of €3,600,000 excluding tax.

15. Agreement between Aéroports de Paris and SNCF Réseau and Caisse des Dépôts et Consignations

Agreement signed on 2 March 2016 for the purpose of defining the conditions for the constitution of a future project company between Aéroports de Paris and SNCF Réseau in order to implement the CDG Express rail link project.

An addendum modified this agreement for the purpose of extending the provisions of the protocol entered into between Aéroports de Paris and SNCF Réseau to Caisse des Dépôts et Consignations, thereby enabling Caisse des Dépôts et Consignations to participate in the financing of studies relating to the CDG Express.

16. Agreement between Aéroports de Paris and CDG Express Etudes SAS relating to CDG Express preliminary project studies.

Agreement signed on 29 June 2015 for the purpose of defining the conditions for undertaking missions and preliminary project studies assigned to Aéroports de Paris as part of the CDG Express project and in particular the implementation schedule, detail of the studies to be undertaken and the financing terms and conditions thereof.

17. Economic Regulation Agreement 2016-2020 entered into between the French State and Aéroports de Paris pursuant to Articles L. 6325-2 of the French Transportation Code and R. 224-4 of the French Civil Aviation Code

Agreement signed on 31 August 2015 for the purpose of defining the framework for the economic development of Aéroports de Paris for the period 2016-2020, and notably a ceiling for changes in airport fees according to assumptions for passenger traffic; an investment programme presented by Aéroports de Paris and service quality targets, while complying with the principle of fair returns on invested capital in the regulated scope.

18. Agreement for joint project management between Aéroports de Paris and Société du Grand Paris (SGP) relating to the construction at Paris-Orly Airport of a station for future metro lines numbers 14 and 18

Agreement signed on 16 July 2015 for the purpose of assigning to Aéroports de Paris the role of project manager and project owner and for the entire operation and the determination of the provisional estimation of the total cost of the works and the estimated amount of compensation to be paid to Aéroports de Paris for these services.

19. Compensation agreement for cost overruns relating to the work undertaken by Aéroports de Paris to stabilise the land required for the passage of tunnels for future metro lines numbers 14 and 18 beneath the future adjoining building at Paris-Orly

Agreement signed on 9 January 2015, providing for indemnities to be paid by SGP to Aéroports de Paris relating to the passage of metro lines 14 and 18 on land at Paris-Orly Airport, land strengthening and stabilisation works.

The cost of these measures, for which Aéroports de Paris is project manager, has been set at €24,181,000 excluding tax, and will be paid to Aéroports de Paris by SGP.

20. Agreement between Aéroports de Paris and Réseau Transport d'Electricité (RTE) relating to the connection of Paris-Charles de Gaulle Airport to the public electricity transmission grid

Agreement signed on 28 July 2015 for the purpose of defining the technical and financial conditions for connecting the plant and equipment at Paris-Charles de Gaulle Airport to the public electricity transmission grid.

21. Agreement on the route, principles of servicing and financing of the tramway linking Villejuif to Athis-Mons on Aéroports de Paris land, as well as surface rights granted by Aéroports de Paris to the RATP for the operation of said tramway

Agreement entered into on 7 October 2009 with the Régie Autonome des Transports Parisiens and the Syndicat des Transports d'Ile-de-France. This agreement is due to terminate on the date on which the tramway is decommissioned.

22. Agreement setting up a partnership between the Musée du Louvre and Aéroports de Paris

Partnership agreement signed on 23 February 2016 and due to expire on 15 September 2017 between the Musée du Louvre and Aéroports de Paris relating to the organisation of an exhibition «Tous les voyages sont au Louvre» (All journeys are at the Louvre) inside the Satellite 4 access tunnel at Paris-Charles de Gaulle Airport's Terminal 1.

23. Sponsorship agreement between the Etablissement Public du Musée d'Orsay et du Musée de l'Orangerie and Aéroports de Paris

Sponsorship agreement as part of the «Bienvenue in Paris» (Welcome to Paris) exhibition at Paris-Charles de Gaulle Airport, signed on 23 February 2016 and due to expire on 31 July 2018.

24. Agreement entered into between Aéroports de Paris and SNCF Mobilités relating to work undertaken at the RER1 station at Paris-Charles de Gaulle Airport

Agreement signed on 18 January 2017 laying down the technical, financial and legal terms and conditions for undertaking a part of the works on the structures and installations of SNCF Mobilité (SNCF Gares & Connexions) at the RER1 station at Paris-Charles de Gaulle Airport.

This agreement will end when all of the structures are returned by Aéroports de Paris to SNCF Mobilités.

25. Sponsorship agreement entered into between Aéroports de Paris and the Ecole Nationale Louis Lumière

Agreement entered into on 7 July 2016 for a duration of one year, for the sponsorship by Aéroports de Paris of the Ecole Nationale Supérieure Louis Lumière as part of a student photography project.

26. Partnership agreement entered into between Aéroports de Paris and the Etablissement public du Château, du Musée et du Domaine National de Versailles

Partnership agreement signed on 6 July 2016 and due to expire on 31 December 2019, between Aéroports de Paris and the Etablissement public du Château, du Musée et du Domaine National de Versailles, relating to the joint organisation of an exhibition in Terminal T1 devoted to the estate of Versailles.

27. Partnership agreement entered into between Aéroports de Paris and ATOUT FRANCE

Partnership agreement signed on 24 October 2016 for a duration of one year for the production and distribution of a magazine called «France Worldwide».

28. Agreement entered into between Aéroports de Paris, the RATP and the STIF relating to tramway line 17

Agreement signed on 1 December 2016 laying down the terms and conditions for the operation and maintenance of structures and machinery for the operation of tramway T7 and located on Aéroports de Paris land. This agreement is due to end on the date on which the tramway is decommissioned.

29. Sponsorship agreement entered into between Aéroports de Paris and the Paris Musées public institution

Sponsorship agreement signed on 7 December 2016 and due to expire on 1 November 2018 between Aéroports de Paris and the Paris Musées public institution in order to jointly organise an exhibition showcasing the wealth and diversity of the Paris municipal collections, in Terminal 2F of Paris-Charles de Gaulle Airport.

30. Agreement entered into between Aéroports de Paris and the Paris 2024 public interest group

Agreement signed on 28 July 2016 laying down the terms and conditions of sponsorship by Aéroports de Paris of Paris' candidature for the 2024 Olympic Games, led by the Paris 2024 public interest group. This agreement is due to terminate on the date on which the host city for the 2024 Olympic Games is announced.

31. Agreement entered into between Aéroports de Paris and the French State regarding an exchange of land and parts of a building, located at building 375 of Paris-Orly airport

Agreement signed on 30 September 2015 setting out the terms and conditions for the exchange of various plots of land and parts of a buildings, occupied respectively by your Company and the French border police (DPAF). This agreement calls for the signing of a notarised act to exchange the land, resulting in the payment of a balance by your Company to the French State of €865 k excl. VAT and duties.

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Appendix 1.5: Related party agreements entered into with NV Luchthaven Schiphol authorised during previous years and which continued during 2017

1. Shareholder agreement between the French Republic and NV Luchthaven Schiphol

Shareholder agreement entered into on 1 December 2008 between the French State and NV Luchthaven Schiphol relating to the company Aéroports de Paris and in the presence of the latter.

2. Agreements relating to real estate cross-shareholdings relating to the Altaï and Transport real estate operations

- ◇ Shareholder agreement – «Altaï» real estate operation: shareholder agreement relating to the operation of the company managing the Altaï building and entered into between Aéroports de Paris, SAS Ville Aéroportuaire Immobilier and Schiphol Real Estate Holding Altaï SCI in the presence of NV Luchthaven Schiphol and Ville Aéroportuaire Immobilier 1.
- ◇ Joint-venture agreement – «Transport» real estate operation: shareholder agreement governing the operations of the company managing the Transport Building in the Netherlands and entered into between Schiphol Real Estate BV, SRE Transport BV, SRE Transport Holding BV, Aéroports de Paris, SAS ADP Investissement, ADP Investissement Nederland BV, Transport Beheer BV and NV Luchthaven Schiphol.

Appendix 1.6 : Related party agreement entered into with the consortium comprising TAV Construction and Hervé authorised during previous years and which continued during 2017

Agreement entered into with the TAV Construction/Hervé consortium

Contract signed on 23 February 2015 covering the work to be undertaken at Paris-Charles de Gaulle Airport to construct a real estate complex designed to house, on the one hand, the new Aéroports de Paris registered office and a conference and business centre, and on the other, an adjoining office complex to be rented out.

Appendix 1.7 : Related party agreement entered into with the companies Vinci Immobilier Développement Hôtelier (V.I.D.H.) and Vinci Immobilier during previous years and which continued during 2017

Agreement entered into between Aéroports de Paris and the companies Vinci Immobilier Développement Hôtelier (V.I.D.H.) and Vinci Immobilier

Agreement signed on 1 July 2016 laying down the conditions for undertaking a hotel construction project by V.I.D.H. and its operation by the Melia group. The investment, comprising the cost of purchasing equity securities of the S.A.S. created by Vinci Immobilier and the cost of constructing the hotel, corresponds to a maximum of €45 million excluding tax.



REPORT ON CORPORATE GOVERNANCE

COMPENSATION

2018 executive officer compensation

In application of Article L. 225-37-2 of the French Commercial Code, the Board of Directors submits for the approval of the General Meeting of Shareholders, the principles and criteria for determining, distributing and allocating the fixed, variable and extraordinary components comprising the total compensation and benefits of any kind attributable to the Chairman and CEO by virtue of his mandate for 2018 and which constitute his compensation policy.

The compensation of the Chairman and CEO for 2018 was agreed by the Board of Directors on 20 December 2017 on the advice of the Compensation, Appointments and Corporate Governance Committee, and approved on 27 February by the French Minister of the Economy, in accordance with Article 3 of Decree no 53-707 dated 9 August 1953 (as amended).

We propose that you approve the principles and criteria as presented in this report.

Note that the approval of the General Meeting of Shareholders will be required (i) for any changes to the compensation items already approved by the General Meeting of Shareholders, and (ii) for the renewal of Augustin de Romanet's term of office as Chairman and CEO.

Should the General Meeting of Shareholders of 4 May 2018 fail to approve resolution no 17, the principles and criteria previously approved by the General Meeting of Shareholders of 11 May 2017 in application of Article L. 225-37-2 of the French Commercial Code will continue in effect.

The gross annual amount of the Chairman and CEO's fixed compensation for the year 2018 is set, unchanged, at €350,000.

The Chairman and CEO's maximum annual gross variable compensation is set at €100,000. This portion is based on:

Three quantitative objectives: Group EBITDA (weight: 25%), Group ROCE (20%) and departing passenger satisfaction (10%). The performance level for each of these objectives ranges from 70% (nil below this) to 110%.

Three qualitative objectives:

- ◆ Groupe ADP's attractiveness and customer service policy in favour of airlines and passengers, notably continuation of the CDG Express project (10%);
- ◆ Corporate Social Responsibility, including managerial commitment and employee safety (10%): definition and deployment of actions to further Aéroports de Paris' community involvement in its various facets: governance, the environment, human capital, purchasing/customers, community involvement; action plan for employee safety;
- ◆ the strategy and management policy for subsidiaries and affiliates, notably internationally (25%): management of international strategy and investments, in particular with the TAV merger.

The performance level for each of these objectives ranges from 80% (nil below this) to 120%.

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 and CEO's gross annual variable compensation in respect of 2018 will be submitted for the approval of the Minister of the Economy under Article 3 of French Decree no 53-707 of 9 August 1953. Payment will be subject to approval by the Annual General Meeting of Shareholders to be held in 2019 (and will be called to approve the financial statements for the year ended 31 December 2018) in accordance with Article L. 225-37-2 of the French Commercial Code.

The Chairman and CEO 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 CEO does not benefit from any severance bonus or any specific pension scheme. He does not receive attendance fees.

The Company has not set up any stock-option or share-purchase schemes that benefit the Chairman & Chief Executive Officer.

It is reiterated that the Board of Directors of Aéroports de Paris, from 2008, adhered to the recommendations of the AFEP-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. Decree no 1012-915 of 26 July 2012 amending that of 9 August 1953 capped the compensation of corporate officers of public companies to which this decree is applicable, including Aéroports de Paris, at €450,000. The fixed compensation proposed by the Board of Directors and approved by the Minister of the Economy for the Chairman and CEO is €350,000. It was also decided that the amount of the variable component payable to the Chairman & Chief Executive Officer could allow the statutorily authorised ceiling to be reached: the maximum amount is therefore predefined by the Board of Directors at €100,000 and is clearly expressed directly as a monetary value.

Amount of compensation payable and paid to corporate officers during the 2017 year

Augustin de Romanet, Chairman and CEO

The following compensation and benefits were due or paid to Augustin de Romanet in respect of his mandate as Chairman and CEO of Aéroports de Paris during the year 2017 in application of the criteria approved in

the 21st resolution of the General Meeting of Shareholders of Aéroports de Paris of 11 May 2017. In accordance with Article L. 225-37-2 of the French Commercial Code, payment of the components of gross annual variable compensation to the Chairman and CEO for the year 2017 will be conditional on approval by the Annual General Meeting of Shareholders to be held on 4 May 2018.

The gross annual amount of fixed compensation payable to the Chairman and CEO is set at €350,000.

The maximum gross variable remuneration of the Chairman and CEO is set at €100,000. It is based on three quantitative objectives: Group EBITDA (25% weighting), Group ROCE (15%) and the overall satisfaction rate of departing passengers (15%), and three qualitative objectives: 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 commitment and employee safety (15%); strategy and coordination of subsidiaries and affiliates, particularly abroad (15%).

Achievement of each of these objectives will be reviewed by the Board of Directors on 22 February 2018, on the advice of the Compensation, Appointments and Governance Committee, and submitted for approval by the French Minister of the Economy within the framework of Article 3 of Decree no 53-707 of 9 August 1953 (as amended).

The weighting given to each objective defines the fraction of the variable remuneration linked to it.

The objectives were achieved as follows: 105% for the quantitative objectives (of which EBITDA = 110%, ROCE = 110%, departing passenger satisfaction = 90%) and 105% for the qualitative objectives (of which the policy to enhance attractiveness and customer service = 110%, corporate social responsibility = 105%, and the strategy and management of subsidiaries and affiliates = 100%).

The Chairman and CEO 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 CEO 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, for which the decision regarding the allocation and division among the Directors was modified by deliberation of the Board of Directors on 21 June 2017.

No stock option plan and no performance share allocation plan have been implemented by the Company for its corporate officers.

No benefits or compensation were paid to Augustin de Romanet by companies controlled by Aéroports de Paris.

(in euros)	2017	2016
Compensation due for the financial year	456 165	450,473
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
TOTAL	456 165	450,473

(in euros)	Amounts due ¹ 2017	Amounts paid ² 2017	Amounts due 2016	Amounts paid 2016
Fixed compensation	350,000	350,000	350,000	350,000
Variable compensation	100 000	95,500	95,500	100,000
Differed variable compensation	None	None	None	None
Exceptional compensation	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	6,165	6,165	4,973	4,973
TOTAL	456,165	451,665	450,473	454,973

¹ Subject to approval by the Annual General Meeting of Shareholders of the Company of 4 May 2018.

² The components of variable compensation will be paid after approval by the General Meeting of Shareholders as part of Say on Pay, ex post].

// PATRICK JEANTET — Chief operating officer (resigned 25 may 2016)

(in euros)	2017	2016
Compensation due for the financial year	-	168,215
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
Non-competition benefit	-	None
Supplementary pension scheme	-	None
TOTAL	-	168,215

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(in euros)	Amounts due ¹ 2017	Amounts paid ² 2017	Amounts due 2016	Amounts paid 2016
Fixed compensation	-	-	350,000	132,000
Variable compensation	-	34,600	34,600	100,000
Differed variable compensation	-	-	None	None
Exceptional compensation	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	-	-	1,615	1,615
TOTAL	-	34,600	168,215	233,615

¹ Subject to approval by the Annual General Meeting of Shareholders of the Company of 4 May 2018.

² The components of variable compensation will be paid after approval by the General Meeting of Shareholders as part of Say on Pay, ex post].

Directors and non-voting Board members

In 2016, directors representing the French government 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 General Meeting of Shareholders received attendance fees in respect of 2016 paid in 2017. The non-voting Board members, appointed by the General Meeting of Shareholders, received attendance fees for 2016 paid in 2017.

In 2017, the Annual General Meeting of Shareholders of 11 May decided to increase the annual attendance fees to €350,000 to take into account the increase in the number of directors (i.e. the director representing the State and those proposed by the State and appointed by the General Meeting

of Shareholders) and of eligible non-voting Board members and to enable the revaluation of the unit amounts allocated per session, unchanged since 2008. The new provisions were applicable starting on 12 May 2017.

Note that the compensation is paid:

- ◇ to the State budget for the director appointed by government decree (Article 5 of Order 2014-948 of 20 August 2014);
- ◇ to the State budget for directors proposed by the State and appointed by the General Meeting of Shareholders of 11 May 2017, who are civil servants (Article 6 V of the above-mentioned order);
- ◇ to the State budget for any compensation exceeding a cap of 30% of the compensation for directors proposed by the State and appointed by the General Meeting of Shareholders of 11 May 2017, who are not civil servants (Article 6 V of the above-mentioned order).

Compensation paid to directors

The distribution scale for the attendance fees payable per session to the directors appointed by the General Meeting of Shareholders and the director representing the State was decided by deliberation of the Board of Directors on 21 June 2017 and approved by the French Minister of the Economy on 20 December 2017, as follows:

	Director	Chairman
Board of Directors	1,700 €	2,500 €
Audit and Risk Committee	1,700 €	2,500 €
Strategy and Investment Committee	1,700 €	2,500 €
Compensation Appointments and Corporate Governance Committee	1,700 €	2,500 €
Ad-hoc committees	1,700 €	2,500 €

Augustin de Romanet waived attendance fees in his capacity as a director of Aéroports de Paris.

Gross amount (in euros)	2017	2016
Jacques Gounon	48,310	33,380
Els de Groot (until 22 May 2017) ¹	2,860	12,870
Jacoba van der Meijs (since 23 May 2017) ¹	6,800	-
Vinci represented by Xavier Huillard	17,620	14,300
Jos Nijhuis ¹	15,920	10,010
Augustin de Romanet	-	-
Predica represented by Françoise Debrus	41,840	29,180
Director appointed by government decree - Solenne Lepage	32,300	-
Director proposed by the State and appointed by the General Meeting of Shareholders - Geneviève Chaux-Debry	17,000	-
Director proposed by the State and appointed by the General Meeting of Shareholders - Michel Massoni	11,900	-
Director proposed by the State and appointed by the General Meeting of Shareholders - Denis Robin	6,800	-
Director proposed by the State and appointed by the General Meeting of Shareholders - Perrine Vidalenche	11,900	-
TOTAL	213,250	99,740

¹ These amounts were paid to Schiphol Nederland B.V., a subsidiary of the Schiphol Group, in application of a receivable assignment agreement.

Compensation paid to non-voting Board members

The Board of Directors' meeting of 21 June 2017 also confirmed the withholding of an amount on the overall annual attendance fees allocated to the directors appointed by the General Meeting of Shareholders in order to pay fees to the non-voting Board members, in the amount of half

of the compensation paid to a director, i.e. €850 for each attendance at a meeting of the Board or of an ad-hoc committee, up to ten meetings a year, applicable as of 12 May 2017.

Gross amount (in euros)	2017 FINANCIAL YEAR	2016 FINANCIAL YEAR
Anne Hidalgo	0	715
Bernard Irion	7,960	7,150
Christine Janodet	7,110	7,150
Gilles Leblanc (since 11 May 2017)	2,550	-

Commitments made by Aéroports de Paris to the corporate officers

Aéroports de Paris has not made any commitments to the corporate officers in terms of compensation or benefits due or potentially due as a

result of taking, ending or changing their roles or after their exercise and, notably, no commitments for retirement benefits or other life annuity benefits.

GOVERNANCE

Mandates and positions held in companies by the corporate officers during the 2017 financial year

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 196

NATIONALITY:

French

OTHER MANDATES AND DUTIES CURRENTLY HELD

YEARS MANDATES HELD WITHIN THE ADP GROUP

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;
- ♦ Relay@ADP, a French simplified joint stock company, joint venture with Lagardère: member of the Management Board.

Business Foundation:

- ♦ Groupe ADP Business Foundation: Chairman.

OTHER MANDATES:

- ♦ Airport Council International (ACI) Europe, an international non-profit organisation based in Belgium: member of the Board of Directors and of the Executive Committee;
- ♦ Régie Autonome des Transports parisiens (RATP), public industrial and commercial establishment: director ;
- ♦ SCOR, listed European company:
 - ♦ Senior Director,
 - ♦ Chairman of the Compensation and Appointments Committee,
 - ♦ Director of the Crisis Management Committee,
 - ♦ Member of the Strategic Committee,
 - ♦ Member of the Corporate Social Responsibility Committee;
- ♦ Member of the Supervisory Board of Le cercle des économistes SAS, a French company;
- ♦ Chairman of the Board of Directors of the Établissement public du domaine national de Chambord (France).

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

MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS

YEARS MANDATES HELD WITHIN THE ADP GROUP

TAV Group, Turkish Sociétés Anonymes governed by Turkish:

- ♦ TAV Havalimanlari Holding A.S. (TAV Airports), a company listed in Turkey, from January 2013 to July 2017: Director and Vice-Chairman of the Board of Directors, Vice-Chairman of the Corporate Governance Committee, Vice-Chairman of the Risk Committee and Vice-Chairman of the Appointments Committee;
- ♦ TAV Yatirim Holding A.S. (TAV Investment), from February 2013 to July 2017: Director and Vice Chairman of the Board of Directors;
- ♦ TAV Tepe Akfen Yatirim Insaat Ve Isletme A.S. (TAV Construction — Subsidiary of TAV Yatirim Holding), February 2013 to July 2017: Director and Vice Chairman of the Board of Directors.

Royal Schiphol Group, a public limited company under Dutch law:

- ♦ 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.

OTHER MANDATES:

- ♦ Chairman of the Board of Directors and of the Executive Committee of ACI Europe from June 2015 to June 2017;
- ♦ Managing director of the *Caisse des Dépôts et Consignations* (Public financial institution - Public establishment) from March 2007 to March 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 Committee 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 Réserve 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 Investors Board of InfraMed (simplified joint stock company) from May 2010 to August 2012;

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- ◇ 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.

// 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 AND DUTIES CURRENTLY HELD

MANDATES WITHIN THE GETLINK (GET SE) GROUP – FORMERLY EUROTUNNEL

- ◇ Chairman and CEO of the GETLINK Group (GET SE), a European listed company;
- ◇ 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 DURING THE PAST 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 AND DUTIES CURRENTLY HELD

- ◆ Chairman & Chief Executive Officer of Royal Schiphol Group - N.V. Luchthaven Schiphol, a public limited company under Dutch law;
- ◆ Member of the Supervisory Board of National Opera & Ballet (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 Board of Directors of ACI World;
- ◆ 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);
- ◆ Vice-Chairman of the Board of the Cyber Security Council (Netherlands);
- ◆ Member of the Supervisory Board of Hotel Okura Amsterdam B.V.

MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS

- ◆ Member of the Supervisory Board and Chairman of the Audit Committee of Volksbank NV (Netherlands) from April 2009 to April 2017;
- ◆ Member of the Supervisory Board and Chairman of the Audit Committee of Aon Group Nederland BV (Netherlands) from July 2014 to December 2016.

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// Jacoba van der Meijs

DATE OF BIRTH:

26 January 1966

NATIONALITY:

Dutch

DATE OF FIRST APPOINTMENT:

Co-opted by the Board of Directors on 23 May 2017 to replace Els de Groot

START DATE OF CURRENT MANDATE:

15 July 2014

OTHER MANDATES AND DUTIES AND DUTIES CURRENTLY HELD

- ◆ Member of the Executive Board and Chief Financial Officer of Royal Schiphol Group - N.V. Luchthaven Schiphol, a public limited company under Dutch law;
- ◆ Non-executive director of the Supervisory Board and Chairwoman of the Audit Committee of Kendrion NV, a listed Dutch Company (Netherlands).

MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS

- ◆ Non-executive director of the Supervisory Board, member of the Audit Committee and member of the Health, Security, Safety, Environment and Quality Committee of Koole Terminals (Netherlands) from September 2016 to June 2017;
- ◆ Vice-Chairwoman Finance Projects for Shell Global Solutions (Netherlands), from 2009 to September 2016.

// Xavier Huillard – Permanent representative of Vinci

DATE OF BIRTH:

27 June 1954

NATIONALITY:

French

AND DUTIES 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 Énergies, 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:

- ◆ Director and member of the Compensation Committee of Air Liquide, a French listed limited company;
- ◆ Member of the Institut de l'Entreprise;
- ◆ Vice-Chairman of the Aurore Association;

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

MANDATES AND DUTIES COMPLETED DURING THE PAST 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

- ◆ Permanent representative of VINCI, director on the Board of Directors of Eurovia, a French simplified 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).

// Françoise Debrus — Permanent representative of Predica, independent director

DATE OF BIRTH:

19 April 1960

NATIONALITY:

French

OTHER MANDATES AND DUTIES AND DUTIES CURRENTLY HELD

- ◆ Director of Investments, Crédit Agricole Assurances Solutions.

Other mandates at PREDICA:

- ◆ Permanent representative of Predica, director and member of the Audit Committee and of the Appointments and Compensation Committee of Korean/Medica, SA, listed in France;
- ◆ Member of the Supervisory Board and of the Audit Committee of Altarea, SCA, listed in France.

Mandates held within the Foncière des Régions Group:

- ◆ Member of the Supervisory Board of Foncière des Murs, a French partnership limited by shares.

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

MANDATES AND DUTIES COMPLETED DURING THE PAST 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 and member of the Audit Committee:
 - ◆ Eurosic, SA, from June 2011 to August 2017;
- ◆ 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;
- ◆ Director of:
 - ◆ RAMSAY SANTE SA, from March 2009 to June 2015,
 - ◆ Foncière Développement Logements, SA, from March 2009 to January 2016,
 - ◆ Beni Stabili, an Italian listed company (SIIC) from April 2013 to November 2016.

Director representing the French government

// Solenne Lepage

DATE OF BIRTH:

7 February 1972

NATIONALITY:

French

DATE OF FIRST APPOINTMENT:

Decree of 24 September 2012, to replace Mr Alexis Kohler

DATE OF SECOND MANDATE:

Decree of 11 July 2014,

DATE OF THIRD MANDATE:

Decree of 11 May 2017

START DATE OF CURRENT MANDATE:

11 May 2017

OTHER MANDATES AND DUTIES 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 French listed 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 DURING THE PAST FIVE YEARS

- ◆ Bureau chief DB1 (EDF and other investments) – Agence des Participations de l'État (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'Économie Mixte d'Aménagement et de Gestion du Marché d'Intérêt National de la Région Parisienne (Semmaris) from September 2009 to October 2012.

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Directors representing the interests of the French State in its capacity as a shareholder, appointed by the General Meeting of Shareholders on proposal by the French State

// Genevieve Chaux Debry

DATE OF BIRTH:

18 June 1958

NATIONALITY:

French

DATE OF FIRST APPOINTMENT:

Decree of 11 July 2014

DATE OF SECOND MANDATE:

General Meeting of Shareholders of 11 May 2017

DATE OF THIRD MANDATE:

Decree of 11 May 2017

START DATE OF CURRENT MANDATE:

11 May 2017

OTHER MANDATES AND DUTIES 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 DURING THE PAST FIVE YEARS

♦ Rapporteur at the Cour des Comptes (French State Audit Office) from April 2013 to July 2015.

// 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

DATE OF THIRD MANDATE:

Decree of 11 May 2017

START DATE OF CURRENT MANDATE:

11 May 2017

OTHER MANDATES AND DUTIES AND DUTIES CURRENTLY HELD

♦ Associate member of the General Council for the Environment and Sustainable Development - Ministry for Ecology, Sustainable Development and Energy.

MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS

♦ Chairman of the Board of Directors of the public rail safety establishment (Sécurité Ferroviaire), from August 2015 to December 2017;

♦ 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

RENEWAL OF MANDATE:

Decree of 11 May 2017

START DATE OF CURRENT MANDATE:

11 May 2017

OTHER MANDATES AND DUTIES AND DUTIES CURRENTLY HELD

♦ Secretary General and senior civil servant for defence at the Ministry of the Interior.

MANDATES AND DUTIES COMPLETED DURING THE PAST 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.

// Perrine Vidalenche

DATE OF BIRTH:

26 December 1956

NATIONALITY:

French

OTHER MANDATES AND DUTIES AND DUTIES CURRENTLY HELD

- ◆ Independent director of Orange BANK, a French limited company with a Board of Directors;
- ◆ Member of the Supervisory Board and of the Audit Committee of Société Nationale Immobilière (SNI), a mixed economy French limited company and real estate subsidiary of Caisse des Dépôts.

DATE OF FIRST APPOINTMENT:

Decree of 11 May 2017

START DATE OF CURRENT MANDATE:

11 May 2017

MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS**Mandates within the Crédit Immobilier Group**

- ◆ Executive Director of Crédit Immobilier de France, a French limited company with a Board of Directors, from 2013 to June 2016;
- ◆ Director of Cautialis, a cooperative mutual guarantee society, from 2014 to January 2016;
- ◆ Director and member of the Audit Committee and of the Compensation Committee of Banque Patrimoine Immobilier, a French limited company with a Board of Directors, from 2013 to December 2015;
- ◆ Director of finance company CIF Ouest, a French limited company with a Board of Directors, from 2013 to December 2015.

Other mandate

- ◆ Executive Director of Groupe Cible, a French limited company, from 2001 to 2012.

Directors representing employees

// Marie-Anne Donsimoni

DATE OF BIRTH:

8 May 1961

NATIONALITY:

French

OTHER MANDATES AND DUTIES 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 Réunica.

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

MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS

- ◆ Director of GIE-REUNICA (Association) from December 2012 to December 2014;
- ◆ Director of GIE SYSTALIANS (Association) from December 2012 to December 2014.

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// Brigitte Blanc

DATE OF BIRTH:

25 November 1962

NATIONALITY:

French

OTHER MANDATES AND DUTIES 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 Business Foundation of Groupe ADP.

DATE OF FIRST APPOINTMENT:

15 July 2014, re-elected on 20 May 2014

START DATE OF CURRENT MANDATE:

15 July 2014

SPONSORED BY THE:

CGT union

MANDATES AND DUTIES COMPLETED DURING THE PAST 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 union

OTHER MANDATES AND DUTIES AND DUTIES CURRENTLY HELD

♦ Principal operations controller for Aéroports de Paris at Paris-Charles de Gaulle.

MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS

♦ None.

// Frederic Gillet

DATE OF BIRTH:

19 February 1972

NATIONALITY:

French

DATE OF FIRST APPOINTMENT:

15 July 2014, re-elected on 20 May 2014

START DATE OF CURRENT MANDATE:

15 July 2014

SPONSORED BY THE:

CFE/CGC union

OTHER MANDATES AND DUTIES AND DUTIES CURRENTLY HELD

♦ Aéroports de Paris firefighter at Paris-Charles de Gaulle.

MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS

♦ None

// Jean-Paul Jouvenc

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 ND DUTIES CURRENTLY HELD

- ♦ Head of the employee savings and shareholdings department at Aéroports de Paris' Human Resources department;
- ♦ Chairman of the Supervisory Board of FCPE ADP DIVERSIFIE PRUDENT;
- ♦ Chairman of the Supervisory Board of FCPE ADP DIVERSIFIE DYNAMIQUE;
- ♦ Chairman of the Supervisory Board of FCPE ADP ACTIONNARIAT SALARIE.

MANDATES AND DUTIES COMPLETED DURING THE PAST 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 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 DURING THE PAST FIVE YEARS

◆ None.

Non-voting Board members

// Bernard Irion

DATE OF BIRTH:

18 March 1937

NATIONALITY:

French

DATE OF APPOINTMENT:

General Meeting of Shareholders of 15 May 2014

START DATE OF CURRENT MANDATE:

15 July 2014

OTHER MANDATES AND UTIES AND DUTIES CURRENTLY HELD

◆ Associate member of the Paris Departmental Chamber of Commerce and Industry (CCI-Paris);
◆ Director of F4 — a French limited company;
◆ Director and representative of CCIR to SEMAVIP (Société d'Économie Mixte Ville de Paris) — a French limited company.

MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS

◆ Director and Vice-Chairman of SIPAC (Société Immobilière du Palais des Congrès) (CCIR Group) — a French limited company, from 2001 to June 2017;
◆ 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 CRCl (Paris Ile-de-France Regional Chamber of Commerce and Industry) from 2009 to 2015.

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// Christine Janodet

DATE OF BIRTH:

29 September 1956

NATIONALITY:

French

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 AND DUTIES CURRENTLY HELD

◆ Mayor of Orly;
◆ *Departmental Councillor for the Val-de-Marne;
◆ Vice-Chair of Grand Paris-Orly Seine Bièvres (GOSB), a regional public institution.

MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS

◆ None.

// Anne Hidalgo

DATE OF BIRTH:

19 June 1959

NATIONALITY:

French

OTHER MANDATES: AND DUTIES CURRENTLY HELD

- ◆ 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
- ◆ Chairwoman of the Departmental Council — Public Authority.

DATE OF APPOINTMENT:

Provisionally appointed by the Board of Directors of 8 July 2015 and ratified by the Annual General Meeting of Shareholders of 3 May 2016.

START DATE OF CURRENT MANDATE:

15 July 2014

MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS

- ◆ Chairwoman of:
 - ◆ APUR Association from 2008 to 2014,
 - ◆ “Pavillon de l’Arsenal” Association from 2008 to 2014;
- ◆ 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.

// Gilles Leblanc

DATE OF BIRTH:

3 May 1954

NATIONALITY:

French

OTHER MANDATES AND DUTIES 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;
- ◆ Member of the Board of Directors representing the French government:
 - ◆ Établissement public de Foncier d’Ile-de-France (EPFIF),
 - ◆ 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.

DATE OF FIRST APPOINTMENT:

General Meeting of Shareholders of 11 May 2017

START DATE OF CURRENT MANDATE:

11 May 2017

MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS

- ◆ Member of the Board of Directors as representative of the French government within Aéroports de Paris, from 11 July 2014 to 11 May 2017;
- ◆ 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.

Agreements reached directly or via a third party between, on the one hand, a corporate officer or one of the shareholders with more than 10% of the voting rights of Aéroports de Paris and, on the other, another company in which Aéroports de Paris directly or indirectly holds over half of the capital

During the financial year closed on 31 December 2017, no agreements were reached directly or via a third party between, on the one hand, a corporate officer or one of the shareholders with more than 10% of the voting rights of Aéroports de Paris and, on the other, another company in which Aéroports de Paris directly or indirectly holds over half of the capital.

Summary of the delegations in effect granted by the General Meeting of Shareholders for capital increases

The table below summarises the financial delegations agreed by the Aéroports de Paris Combined General Meeting of 3 May 2016 that were in effect at the date of publication of this document. None of these delegations was used during the 2017 financial year.

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 ^{(P) 1 6} Issue of debt securities: €500 million ²
Share capital increase with removal of the pre-emptive subscription right through public offering	Share capital increase: €29 million ^{(P) 3 6} Issue of debt securities: €500 million ²
Share capital increase with removal of the pre-emptive subscription right through a private placement offer	Share capital increase: €29 million ^{(P) 3 6} Issue of debt securities: €500 million ²
Increase in the amount of securities in the case of a capital increase with or without pre-emptive rights	Increase in the number of securities offered: 15% of initial issue ^{(P) 4 6}
Capital increase through the incorporation of premiums, reserves, profits or other	Share capital increase: €97 million ⁵
Share capital increase reserved for subscribers to an Employee Savings Scheme	Share capital increase: €2.9 million ^{(P) 3}
Capital increase in payment for a public exchange offer initiated by the Company	Share capital increase: €29 million ^{(P) 3} Issue of debt securities: €500 million ²
Capital increase with a view to payment in contributions in kind	Share capital increase: 10% of share capital at the time of the issue ^{(P) 3}
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 pre-emptive subscription rights ¹ ; €29 million, or 10% of capital for share capital increases with removal of pre-emptive subscription rights ³ ; €29 million, or 10% of capital for share capital increases during public offer periods ⁶ .
Share capital increases during public offer periods (global cap)	Global cap for share capital increases during public offer periods: €29 million ^{(P) 3 6}

^(P) With attribution to the global cap of dilutive capital increases of €97 million par value.

¹ With attribution to the global cap of capital increase with preservation of pre-emptive subscription rights of €97 million par value.

² With attribution to the global cap of an issue of securities giving access to Company debt of €500 million.

³ With attribution to the global cap of capital increase with removal of pre-emptive subscription rights of €29 million par value.

⁴ With, for an issue with preservation of pre-emptive subscription rights, attribution to the cap¹ and for an issue with removal of pre-emptive subscription rights, attribution to cap³.

⁵ Without attribution to the global cap for dilutive capital increases.

⁶ With attribution to the sub-cap of capital increase of €29 million par value in the event of a capital increase during the period of an offer on the Company.

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Composition of the Board of Directors and conditions for preparing and organising its work

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 2017

The Company has been managed by a Board of Directors since 15 July 2009, 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. As of 11 May 2017, the Company has been governed by Order no. 2014-948 of 20 August 2014 on governance and equity transactions of companies with a public shareholding.

The Board of Directors consists of three to eighteen members in accordance with Article 13 of the Company's Articles of Association. It currently consists of six directors appointed by the Annual General Meeting of Shareholders, a director representing the French State, four directors proposed by the French State and appointed by the General Annual Meeting of Shareholders and six directors representing employees.

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. Jacoba van der Meijs was co-opted by the Board of Directors on 23 May 2017 to replace Els de Groot, who resigned as of 12 May 2017.

In application of the above-mentioned Order, the director representing the French State is Solenne Lepage, appointed by Decree on 11 May 2017, and previously appointed by decree on 11 July 2014. The Annual General Meeting of the Shareholders on May 2017, as proposed by the State, appointed: Michel Massoni, Geneviève Chaux Debry, Muriel Pénicaut (resigned as of 17 May 2017) and Denis Robin. These persons had previously been appointed by decree on 11 July 2014 and 22 April 2015. Perrine Vidalenche was appointed, for the first time, by the General Meeting of Shareholders on 11 May 2017, on proposal by the French State.

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 Article 13 of the Articles of Association, non-voting Board members attend meetings of the Board of Directors in an advisory capacity. Bernard Irion and Christine Janodet were appointed as non-voting Board members by the 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. Gilles Leblanc, previously a director, was appointed a non-voting Board member by the General Meeting of Shareholders of 11 May 2017.

Pursuant to Article 13 of the Company's Articles of Association, the mandate for directors and non-voting Board members is for five years.

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 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 Mathieu de Lavergne, Economic and Financial Corporate Controller and Pascal Papaux, appointed Secretary of the Works Council, also attend Board meetings in a non-voting capacity.

As part of the assessment of its operations, the Board of Directors of Aéroports de Paris set balance and diversity objectives for its composition and that of its committees. Given Aéroports de Paris' activities, directors are selected from among representatives of the air transport world, managers of major French and international industrial companies and experts in the environmental fields in which the Company operates. The goal is to guarantee shareholders and the market that it will carry out its duties competently, independently and objectively. Both the organisation of the Board and its composition are appropriate with regard to the shareholding, the nature of Aéroports de Paris' core business and, in particular, its public service mission as an airport. The membership of the Board of Directors is balanced, with 45% women. In addition, debates are enriched by two foreign directors. All the Directors are jointly responsible for developing collective operations, which is a necessary prerequisite for high quality management. The composition of the committees is based on the same principles of balanced composition.

Independence as defined in the AFEP-MEDEF Code				Committee members		
Gender	Nationality	Non-independent	Independent	Audit and Risk Committee	Strategy and Investment Committee	The Compensation, Appointments and Governance Committee
DIRECTORS APPOINTED BY THE GENERAL MEETING OF SHAREHOLDERS THE MANDATE CAME INTO EFFECT ON 15 JULY 2014, FOR A PERIOD OF FIVE YEARS						
Augustin de Romanet	Male	French	Chairman and Chief Executive Officer		Chairman X	
Jacques Gounon	Male	French	Independent director	Chairman X		X
Jacoba van der Meijs, replacing Els de Groot	Female	Dutch	Executive officer of Royal Schiphol Group on whose Board of Directors a director of Aéroports de Paris sits			
Jos Nijhuis	Male	Dutch	Executive officer of Royal Schiphol Group on whose Board of Directors a director of Aéroports de Paris sits		X	
Vinci represented by Xavier Huillard	Male	French	Significant business relationship			X
Prédica represented by Françoise Debrus	Female	French	Independent director	X		Chairwoman X
DIRECTOR REPRESENTING THE FRENCH STATE, APPOINTED BY DECREE ON 11 MAY 2017 THE MANDATE CAME INTO EFFECT ON 11 MAY 2017, FOR A PERIOD OF FIVE YEARS						
Solenne Lepage	Female	French	Majority shareholder	X	X	X
DIRECTORS APPOINTED BY THE GENERAL MEETING OF SHAREHOLDERS OF 11 MAY 2017, ON PROPOSAL BY THE FRENCH STATE THE MANDATE CAME INTO EFFECT ON 11 MAY 2017, FOR A PERIOD OF FIVE YEARS						
Geneviève Chaux Debry	Female	French	Representative of the interests of the French State, shareholder		X	
Michel Massoni	Male	French	Representative of the interests of the French State, shareholder			
Denis Robin	Male	French	Representative of the interests of the French State, shareholder			
Perrine Vidalenche	Female	French	Representative of the interests of the French State, shareholder			
DIRECTORS REPRESENTING EMPLOYEES THE MANDATE CAME INTO EFFECT ON 15 JULY 2014, FOR A PERIOD OF FIVE YEARS						
Brigitte Blanc (CGT union)	Female	French	Not included in the calculation			
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		
Frédéric Gillet (CFE/CGC union)	Male	French	Not included in the calculation			
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	

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The derogation from the AFEP-MEDEF Code recommendation regarding the rule on the minimum of one-third independent directors in controlled companies is justified below.

Duties of the Board of Directors

The Board of Directors is the collegial body of the Company which determines the direction of Aéroports de Paris' activities and oversees their implementation, as specified in Article 16 of its Articles of Association. 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 "Rules of Procedure").

The rules of procedure can be viewed at www.parisaeroport.fr. They outline the duties of the Board of Directors and its members, and how the Board and its specialist committees operate: an Audit and Risk Committee, a Strategy and Investments Committee and a Compensation, 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 addition, 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 duties 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 Risk 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

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 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 evaluation was conducted by an external provider in 2016. In 2017, the Board of Directors decided to undertake an internal assessment, the conclusions of which were reported during the Board of Directors' meeting of 20 December 2017. The members of the Board of Directors were very positive about the conditions under which the governance promotes the Board's activities. The Board of Directors was pleased to report that every director is able to state their point of view and thereby enrich the quality of the debates. The Board believes that it is necessary to focus on issues related to the Company's international development and, in addition to the Company itself, everything involving the Group. The synergies between the activities of the Strategy and Investment Committee and those of the Board have been capitalised on as set out in the recommendations resulting from the external assessment carried out in 2016.

Meetings of the Board of Directors

The Chairman and CEO convenes Board meetings at regular intervals and 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 fixes the place of the meeting. The Board members meet without the Chairman and CEO when they are reviewing the latter's compensation.

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, the Board of Directors also has its own powers by virtue of the French Civil Aviation Code. Lastly, the Board of Directors decided at its meeting on 29 April 2009 to limit the powers of the Chairman and CEO.

Thus, under the Rules of Procedure, 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 all the strategic guidelines of Groupe ADP, particularly with regard to developments in the airline industry, as well as the competitive environment in which Groupe ADP operates;
- ◇ issues a documented response to the opinion issued by the Works Council on the Company's strategic directions in application 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 and shareholders receive relevant, balanced and educational information on the Company's strategy, development model, significant extra-financial challenges for the Company and its long-term prospects;
- ◇ examines 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;
- ◇ approves the multi annual economic regulation contract;
- ◇ sets 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];
- ◇ adopts Groupe ADP's five-year investment and funding plan and examines its implementation every year;
- ◇ examines 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;
- ◇ approves 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;
- ◇ approves the acquisitions and disposals of assets carried out by Aéroports de Paris:
 - ◆ for the development or operation of airport facilities in France in excess of €30 million,
 - ◆ for all other activities in excess of €20 million;
- ◇ approves any transfers of assets or external acquisitions made by Aéroports de Paris subsidiaries in excess of or equal to €20 million;
- ◇ approves settlements and renunciations of debts whose amount is greater than or equal to €15 million before tax;
- ◇ determines 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 CEO 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;
- ◇ sets 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 CEO also reports to the Board of all securities, endorsements or guarantees exceeding €30 million;
- ◇ sets yearly the amount of bonds that the Chairman and CEO is entitled to issue;
- ◇ determines the terms and conditions of personnel and employee salary scales and indemnities;
- ◇ must ask the opinion of the General Meeting of Shareholders if a disposal, in one or more transactions, for at least half of the assets of the Company over the past two financial years is being planned;
- ◇ examines the independence of directors representing the shareholders (noting that the directors representing the interests of the French State

and 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 quantitative and qualitative criteria having led to said appraisal and designates some of them as independent directors 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 on the compensation of the executive officers in their absence;
- ◇ presents to the Annual General Meeting of Shareholders the ex-ante and ex-post resolutions on executive officer compensation;
- ◇ proceeds 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 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.

At the time 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 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).

Board of Directors' activities in 2017

The Board of Directors met twelve times in 2017 with an attendance rate of 80% to discuss subjects concerning in particular the following:

- ◇ governance, in particular with:
 - ◆ the implementation, as of 12 May 2017, of the provisions of Order no. 2014-948 of 20 August 2014 on governance of companies with a public shareholding enabling, among other things, the appointment of directors representing the interests of the French State as a shareholder by the General Meeting of Shareholders,
 - ◆ the annual review of the independence criteria for directors with regards to the AFEP-MEDEF Code based, notably, on the setting of quantitative and qualitative criteria to assess the significant nature or not of the relationship between Aéroports de Paris and the members of the Board of Directors,

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- ◆ external appraisal of the operation of the Board of Directors,
- ◆ submission to the General Meeting of Shareholders of an increase in overall attendance fees and adjustment of the allocation scale;
- ◇ executive officer compensation (Chairman and CEO and Chief Operating Officer):
 - ◆ variable compensation for 2016 —achievement of objectives and the amount of variable compensation for the executive officers,
 - ◆ the Chairman and CEO's 2018 compensation: setting the amount of the fixed component and the objectives for the variable component,
 - ◆ submission to the Annual General Meeting of Shareholders of the ex-ante and ex-post resolutions on executive officer compensation;
- ◇ the convening of the Annual General Meeting of Shareholders for 11 May 2017;
- ◇ the management of the business, and in particular approving the company and consolidated financial statements for 2016 and the half-yearly financial statements for 2017; adopting the Management Report for 2016; preparing the management planning documents and the report on the development of Aéroports de Paris; updating the Group's consolidated budget forecast for 2017; preparing the Group budget for 2018; setting the airport fees for 2018; authorising sureties, endorsements and guarantees; authorising bond issues; authorising the signing of regulated agreements; review of the regulated agreements authorised previously and still valid in 2017; payment of interim cash dividends for the 2017 financial year;
- ◇ the Group's strategy and investments as illustrated by the progress report of 31 December 2016 on the "Connect 2020" strategic plan, by the 2018-2022 investment programme and the related financing plan, by Groupe ADP's real estate strategy, the digital and innovation strategy, and the review of the main investment projects (CDG Express, etc.);
- ◇ international development, notably:
 - ◆ the creation of ADP International (a wholly-owned Aéroports de Paris subsidiary) to manage the Company's international business,
 - ◆ increased stake in the capital of TAV Airports, bringing Groupe ADP's share to 46.12%,
 - ◆ the participation in the call for tenders for the international airports concession;
- ◇ monitoring of subsidiaries, the disposal of the holding in TAV Investment (TAV Construction), the disposal of 80% of the Hub Safe subsidiary;
- ◇ Aéroports de Paris' contribution to the French Compensation Fund for Airport Nuisance (FCNA);
- ◇ Aéroports de Paris SA's professional equality and equal pay policy; health and safety in the workplace;
- ◇ the status of the Groupe ADP risk mapping in 2017 and approval of the report of the Chairman of the Board of Directors relating to financial year 2016;
- ◇ CSR performance.

Duties of the Board of Directors' committees

The Board of Directors has created three committees: an Audit and Risk Committee, a Strategy and Investments Committee and a 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 modalities of operation are described in the rules of procedure that can be consulted at www.parisaeroport.fr. Their composition and activity during financial year 2017 are described below.

The members of each committee are appointed, on proposal by 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 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 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 Risk Committee

Composition

The rules of procedure require that Aéroports de Paris 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 French State, one representing employees and with members preferably being independent directors as set out by the criteria of the AFEP-MEDEF corporate governance code, and selected from among those directors nominated by the General Meeting of Shareholders. The Audit and Risk Committee does not include any executive officers.

As at 31 December 2017 the committee consisted of four members: Jacques Gounon, its Chairman and Independent Director, Serge Gentili, Solenne Lepage and Françoise Debrus, permanent representative of Predica, independent director.

The Board of Directors has noted that the members of the Audit and Risk Committee meet the criterion of financial or accounting expertise provided for by the texts in force.

The presentation of the mandates and duties filled by the directors over the last five years attests to their expertise in finance and accounting.

Tasks and functioning

The Audit and Risk Committee's rules of procedure are based on the French Commercial Code and the recommendations of the AMF. The Audit and Risk Committee is also governed by Order no. 2016/315 of 17 March 2016 relating to the statutory audit.

The Audit and Risk Committee, reporting to the Board of Directors, monitors issues related to the preparation and audit of accounting and financial information. It monitors the Statutory Auditors through completion of their missions and ensures their independence. It tracks the effectiveness of the internal control systems, risk management and internal audit. It reviews the relevance of the Group's financial policy. It enlightens the Board of Directors on the reliability and quality of information issued to it. The Audit and Risk 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 - Finance, Strategy & Administration, the Executive Director for International, 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 Risk Committee in 2017

The Audit and Risk 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 2017, it met nine times with a member attendance rate of 92%. The Statutory Auditors attended all of the committee meeting.

During its meetings, the committee examined in particular files relating to:

- ◆ the closing of the 2016 company and consolidated financial statements and 2017 half-yearly financial statements, the adoption of the 2016 management report, the update of the 2017 consolidated budget forecast, the establishment of management planning documents and the progress report on the development of Aéroports de Paris, the 2018 consolidated budget, the Group's 2016-2020 trajectory, the setting of airport fees for the 2018-2019 period, the appropriation of 2016 income, setting of the dividend and the distribution of interim dividends;
- ◆ the Report by the Chairman of the Board of Directors on the Financial Security Law for 2016, the status of 2017 Group risk mapping, the progress of the 2017 audit programme and the audit department's 2018 audit programme;
- ◆ monitoring of off-balance sheet commitments by monitoring sureties, endorsements and guarantees;
- ◆ update on the cash management policy, the authorisation for issuing bonds in 2018;
- ◆ review of the principal investment projects and of their profitability;
- ◆ international development, notably:
 - ◆ the creation of ADP International (a wholly-owned Aéroports de Paris subsidiary) to manage the Company's international business,
 - ◆ increased stake in the capital of TAV Airports, bringing Groupe ADP's share to 46.12%,
 - ◆ the participation in the call for tenders for the international airports concession;
- ◆ monitoring of subsidiaries, the disposal of the holding in TAV Investment (TAV Construction), the disposal of 80% of the Hub Safe subsidiary;
- ◆ the status of the risk mapping in 2017 of Groupe ADP and its Main subsidiaries and approval of the report of the Chairman of the Board of Directors on 2016;
- ◆ the creation of an approval process by the Audit and Risk Committee for services other than certification of the financial statements provided by the Statutory Auditor in application of Article L. 823-19 of the French Commercial Code.

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 2017 it consisted 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 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 2017

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 2017, it met eight times with a member attendance rate of 83%. Notably, a strategic seminar of the Board of Directors was also held on 22 November 2017.

During its meetings, it has in particular covered:

- ◆ the Group's strategy and investments as illustrated by the progress report of 31 December 2016 on the "Connect 2020" strategic plan, by the 2018-2022 investment programme and the related financing plan, by Groupe ADP's real estate strategy, the digital and innovation strategy, and the review of the main investment projects (CDG Express, etc.);
- ◆ international development, notably:
 - ◆ the creation of ADP International (a wholly-owned Aéroports de Paris subsidiary) to manage the Company's international business,
 - ◆ increased stake in the capital of TAV Airports, bringing Groupe ADP's share to 46.12%,
 - ◆ the participation in the call for tenders for the international airports concession;
- ◆ monitoring of subsidiaries, the disposal of the holding in TAV Investment (TAV Construction), the disposal of 80% of the Hub Safe subsidiary.

The remuneration, appointments and governance committee

Composition

The Remuneration, Appointments and Governance Committee is made up of at most five members with voting rights from among the directors, including one representative of the French State, one director representing employees and directors appointed by the General Meeting of Shareholders. It may not include any executive officers among its members and must consist 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 2017, the committee consisted of five members: Françoise Debrus, Independent Director, permanent representative of Predica and Chairwoman 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. In its report of October 2017, the High Committee accepted that the proportions may not be fully achieved, rather than have the independence criteria interpreted too freely.

Tasks and functioning

The duties of the Compensation, Appointments and Governance Committee are to formulate proposals on the amount of, and change in, total compensation of corporate officers, as well as on benefits in kind or any other type of compensation, in compliance with AFEP-MEDEF recommendations. The Committee gives an opinion on the compensation policy for the Company's key executives, proposes to the Board of Directors a total amount and the allocation rules 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.

The Committee is also in charge of making proposals in respect of the future composition of executive 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 2017

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 2017, it met five times with an attendance rate of 84%.

During its meetings, the committee debated on such items as:

- ◆ governance, in particular with:
 - ◆ the implementation, as of 12 May 2017, of the provisions of Order no. 2014-948 of 20 August 2014 on governance of companies with a public shareholding,
 - ◆ the annual review of the independence criteria for directors with regards to the AFEP-MEDEF Code based, notably, on the setting of quantitative and qualitative criteria to assess the significant nature or not of the relationship between Aéroports de Paris and the members of the Board of Directors,
 - ◆ external appraisal of the operation of the Board of Directors,
 - ◆ submission to the General Meeting of Shareholders of an increase in overall attendance fees and adjustment of the allocation scale;
- ◆ executive officer compensation (Chairman and CEO and Chief Operating Officer):
 - ◆ variable compensation for 2016 —achievement of objectives and the amount of variable compensation for the executive officers,
 - ◆ the Chairman and CEO's 2018 compensation: setting the amount of the fixed component and the objectives for the variable component,
 - ◆ submission to the Annual General Meeting of Shareholders of the ex-ante and ex-post resolutions on executive officer compensation;
- ◆ the policy for the reimbursement of expenses incurred by the members of the Board of Directors;
- ◆ Groupe ADP's business continuity policy;
- ◆ the compensation policy for members of the Executive Committee.

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.

Application of the principle of balanced representation of women and men on the Board

As regards the balanced representation of men and women within the Board of Directors, of the 11 directors concerned (the directors elected by employees are excluded from the calculation), as at 31 December 2017, five (45%) were women.

Executive Management

Augustin de Romanet was renewed in his functions of Chairman & Chief Executive Officer of Aéroports de Paris by decree dated 24 July 2014.

Article 14 of the Articles of Association of Aéroports de Paris states that the Chairman of the Board of Directors is also responsible for the executive management of the Company. His title is Chairman and CEO. He is appointed by decree from among the directors on proposal by the Board of Directors.

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 Chairman and CEO is suited to the company's context. The Board of Directors confirmed this choice by proposing that the General Meeting of Shareholders of 11 May 2017 include it in the Company's Articles of Association.

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.

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.

At the request of the Board of Directors, the Compensation, Appointments and Governance Committee ensured that business continuity measures have been implemented for the Company. The measures are based on the provisions of Article 21 of Order no. 2014-948 of 20 August 2014 on governance in the event of that the position of Chairman and CEO becomes vacant and on the delegations of the Chairman and CEO granted to the members of the Executive Committee.

The Chairman and CEO cannot hold more than two other director mandates in listed companies outside of the Group, including foreign companies. In addition, the prior opinion of the Board is required before he can accept a new corporate mandate in a listed company. The mandates exercised by the Chairman and CEO are provided above.

Board of Director restrictions on the powers of the CEO

The Chairman and CEO 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 to 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 no 2005-357 of 20 April 2005 in respect of airports;
- ◆ pricing: approval of the multi-annual economic regulation agreement; setting of fee 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 and debt waivers for an amount equal or superior to €15 million.

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.

Derogation from the AFEP-MEDEF Code

Aéroports de Paris is governed by Order no. 2014-948 of 20 August 2014 on governance as a result of its status as a public company controlled by a majority shareholder.

The provisions of the AFEP-MEDEF code (available at <https://www.afep.com/contenu/focus/code-de-gouvernement-d-entreprise-des-societes-cotees>) that have been waived and the reasons why are provided 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.

The reason for this derogation is the French State's majority holding in the share capital:

- ◆ Order no. 2014-948 of 20 August 2014:
 - ◆ reserves a seat for the director representing the French State, appointed by decree,
 - ◆ allows the State to propose directors to the General Meeting of Shareholders. Five directors were proposed by the State. They represent the interests of the French State in its capacity as a shareholder (Article 6 III of the above-mentioned order). They cannot meet the independence criteria of the AFEP-MEDEF Code to which the Company refers, given that the French State controls Aéroports de Paris,
 - ◆ reserves one-third of seats on the Board for employee representatives elected by the employees (these directors are not independent and, under the AFEP-MEDEF Code, are not counted in the calculation of the share of independent directors);
- ◆ 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.

As proposed by the Compensation, Appointments and Governance Committee, the Board of Directors, at its meeting of 20 December 2017, examined the personal situation of each of the directors based on the independence criteria laid down by the AFEP-MEDEF Code.

Based on the quantitative and qualitative criteria previously defined, the Committee also discussed to what extent the relationship between the Company or the Group and each director is significant. As in previous years, the quantitative criterion is measured based on a materiality threshold of 2% of the Company's purchases. The qualitative criteria are measured based on the continuity of the relationship, the importance of the contractual and competitive relationship and the situation of the director or permanent representative (direct decision-making power over the contracts constituting the business relationship).

As a result of said scrutiny, the Board of Directors reaffirmed as independent directors the following, who meet the criteria:

- ◆ Jacques Gounon, who does not have any business relationship with Aéroports de Paris SA;
- ◆ Predica and its permanent representative, which do not maintain significant business relations between Groupe Crédit Agricole and Aéroports de Paris, with a flow of business well below the materiality threshold of 2% of purchases. In addition, from the standpoint of the organisation of the relationship, Françoise Debrus, the permanent representative of Predica and Director of Investments at Crédit Agricole Assurance (Predica's parent company) does not have any direct or indirect decision-making power in establishing or continuing business.
- ◆ The Board of Directors confirmed and reaffirmed as non-independent directors:
 - ◆ Augustin de Romanet, Executive Officer of the Company;
 - ◆ Jos Nijhuis and Jacoba van der Meijs, corporate officers of a company on whose Board of Directors an employee of Aéroports de Paris sits;
 - ◆ Vinci and its permanent representative, due to the significant nature of the business relationship with the Company. For the quantitative criteria, a flow of business between the two groups in excess of the 2% materiality threshold for purchases was noted. In terms of qualitative criteria, the Vinci Group, a major construction and public works company, maintains an ongoing relationship with Aéroports de Paris for construction tenders. As a result of its presence in the airport sector, the Vinci Group, together with its subsidiary Vinci Concessions, is both a competitor and a partner of Aéroports de Paris depending on the project in calls for tenders for airport projects. In addition, from the standpoint of the organisation of the relationship, Vinci and its permanent representative, Xavier Huillard, are considered to have direct or indirect decision-making power in competitive situations involving calls for tenders for airport projects, which constitute actual or overt conflicts of interest;
 - ◆ directors appointed by the General Meeting of Shareholders on proposal by the French State, and who represent the interests of the State as a shareholder, which controls the Company;
 - ◆ the director representing the French State, given that the French State controls Aéroports de Paris;
 - ◆ the six directors representing the employees, due to the existence of an employment contract with the company.

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However, the Board of Directors strives to comply with the principles of good governance defined in the AFEP-MEDEF Code in order to ensure its proper functioning. 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;
- ◆ 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. In its report of October 2017, the High Committee accepted that the proportions may not be fully achieved, rather than have the independence criteria interpreted too freely.

Note that, according to the AFEP-MEDEF Code, a director can be considered independent when he or she 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 years¹;
- ◆ is not a customer, supplier or corporate or investment banker²:
 - ◆ 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.

Meetings of the Board of Directors and committee meetings (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.

Director terms of office (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 application of 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 elected on 20 May 2014 by the employees and appointed by the General Meeting of Shareholders on 15 May 2014, was set at five years. For consistency, the General Meeting of Shareholders, on proposal by the Board of Directors, also set the mandate of directors at five years.

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 the following members who are exempted from owning Company shares:

- ◆ directors appointed by the French State and directors representing the interests of the French State and appointed by the General Meeting of Shareholders, in application of Order no. 2014-948 of 20 August 2014;
- ◆ directors elected by the employees in application of Article 21 of Law no. 83-675 of 26 July 1983 on the democratisation of the public sector. They do not receive attendance fees.

Lastly, the two directors representing Royal Schiphol Group, in application of the shareholder agreement which appoints them, passed on 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 given that Schiphol Group holds 8% of the share capital of Aéroports de Paris and receives the attendance fees.

Obligation for executive officers to hold 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 options or performance shares;
- ◆ the Chairman and CEO waived his right to attendance fees from Aéroports de Paris and its companies;
- ◆ compensation is governed by Decree no. 2012-915 of 16 July 2012 on the French State's control over the compensation of directors of public companies.

The commitment 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.

¹ 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
- if an executive officer of B is a director of company A (or has been within the last five years).

² Or is directly or indirectly linked to these individuals.

Special rules governing shareholder participation in the General Meeting of Shareholders

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, amended by the Combined General Meeting of 11 May 2017, may be consulted on the site www.parisaeroport.fr. Since 3 April 2016, pursuant to Article L 225-123 of the French Commercial Code, fully paid-up shares which have been registered for at least two years in the name of the same shareholder, automatically enjoy double voting rights.

Elements likely to have an impact in the event of a public offer

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".

Structure of the Company's capital

As at the date of this report, the share capital of Aéroports de Paris stands at €296,881,806, divided into 98,960,602 fully paid-up shares with a par value of €3 each, to which there was no change in 2017.

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 2017, the French government held 50.6% of the Company's capital and voting rights.

Statutory restrictions on the exercise of rights to vote and the transfer of shares

Under the terms of Article 9 of the Company's Articles of Association, any natural person or legal entity, acting individually or in combination, 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 the Company or the voting rights therein, is required, no later than the close of trading on the fourth trading day following the exceeding of the limit with effect from the registration of shares making it possible to reach or exceed this limit, to declare to Aéroports de Paris, by registered letter with return receipt, the total number of shares and voting rights so held.

In addition, such a person must also inform Aéroports de Paris, in his/her letter disclosing that the foregoing thresholds have been exceeded, of the specifics outlined in the third paragraph 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 or of 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.

Disclosures that the thresholds have been crossed likely to have an effect in the case of a public offer

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*, via the intermediary of the French limited company Fonds Stratégique d'Investissement (FSI) of the legal threshold of 5% of the Company's capital on 15 July 2009. The *Caisse des Dépôts et Consignations* had a direct and indirect holding of 8.63% following this event;
- ◇ overshooting by the French government authorities and the Fond Stratégique d'Investissement (FSI), acting jointly, of the legal thresholds of 5%, 10%, 15%, 20%, 25%, 33.3% and 50% of the Company's share 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* held 0.7% of the Company's share 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 share capital and voting rights on 5 July 2013. SOC 15 held 8.0% of the Company's share capital and voting rights following this event;
- ◇ overshooting by Crédit Agricole SA, via the intermediary of the French limited company Predica, of the legal threshold of 5% of the Company's voting rights on 4 April 2016. Predica held 4.81% of the Company's share capital and 5.55% of its voting rights following this event;
- ◇ overshooting by Crédit Agricole SA, via the intermediary of the companies it controls, of the legal threshold of 5% of the Company's share capital on 3 August 2016. It held 5.04% of the Company's share capital and 5.63% of its voting rights following this event;
- ◇ overshooting by Predica of the legal limit of 5% of the Company's share capital on 5 August 2016. It held 5.01% of the Company's share capital and 5.62% of the voting rights following this event. Crédit Agricole SA's holding, via the intermediary of the companies it controls, is therefore 5.14% of the share capital and 5.69% of the voting rights following this event.

Subject to corporate governance disclosures in this report, the Company is, at the date thereof, not aware of any direct or indirect holding of its share capital which could, in the light of the French government's majority holding, have any effect in the event of a public offer, or lead to a change with regard to the control of the Company.

Special control rights

None of Aéroports de Paris' shares confer special rights on their holder.

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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 FCPE ADP ACTIONNARIAT SALARIE 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 Scheme. 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.

AGREEMENTS BETWEEN SHAREHOLDERS WHICH THE COMPANY IS AWARE OF AND WHICH CAN RESULT IN RESTRICTIONS ON SHARE TRANSFERS AND THE EXERCISE OF VOTING RIGHTS (SHAREHOLDER AGREEMENTS)

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 Group¹, 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.

The terms of these agreements with regard to the transfer or acquisition of Aéroports de Paris shares are as follows.

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 French 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.

Veto rights of the French government authorities and Aéroports de Paris

In the case of a planned transfer to identified persons of Aéroports de Paris shares held by Schiphol Group, the French 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 French 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 the French government authorities

The French 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.

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;
 - ◆ Schiphol Group or Aéroports de Paris is placed into liquidation, bankruptcy, or administration (or an analogous procedure);

¹ See also the paragraph in Chapter 6 entitled "Partnership with Schiphol Group".



- ◆ 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,
- ◆ 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 French 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.

Rules applicable to the appointment and replacement of members of the Board of Directors and amendments to the Company's Articles of Association

Subject to the stipulations of Order no. 2014-948 of 20 August 2014, there are no rules regarding the appointment and replacement of members of the Board of Directors with the potential to have an impact in the event of a public offer.

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, without prejudice to 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.

Powers of the Board of Directors

The General Meeting of Shareholders of 11 May 2017 authorised the Board of Directors to act on the Company's shares at any time.

The General Meeting of Shareholders of 3 May 2016 granted the Board of Directors financial powers which may be implemented at any time.

Agreements reached by Aéroports de Paris that are modified or end in the event of a change in control at Aéroports de Paris

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.

In addition, a change in control at Aéroports de Paris is a "reason for termination" in the Cooperation Agreement reached as part of the alliance with the Schiphol Group, as indicated in 1.6 above. Agreements providing for compensation for the members of the Board of Directors and employees if they resign or are dismissed without due reason or cause or if their employment ends following a takeover bid or a public exchange offer.

There are no agreements in place providing for compensation for employees if they resign or are dismissed without due reason or cause or if their employment ends following a takeover bid or a public exchange bid.23A3

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 REPORT

Annual Parent Company Financial Statements of Aéroports de Paris: see Section 20 of this Registration Document.

Consolidated financial statements of Groupe Aéroports de Paris: see Section 20 of this Registration Document.

Management report:

- ◆ analysis of financial position and income See Section 9 and 10 of this Registration Document;
- ◆ information on the Company's use of financial instruments: see Note 4.12, 4.13, 5, 29 and 30 of the consolidated financial statements and Note 2.10 of the parent company financial statements;
- ◆ description of the main risks and uncertainties See Section 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 Section 1 of this Registration Document.

Statutory Auditors' report on the financial statements: see Section 20 of this Registration Document.

Statutory auditors' report on the consolidated financial statements: see Section 20 of this Registration Document.



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