



**REGISTRATION DOCUMENT**  
AND ANNUAL FINANCIAL REPORT

2018

## KEY FIGURES FOR 2018



NUMBER OF PASSENGERS  
IN PARISIAN AIRPORTS

**105.3 MPAX**



NUMBER OF GROUP  
PASSENGERS

**281.4 MPAX**



NUMBER OF AIRPORTS  
MANAGED WORLDWIDE

**25**



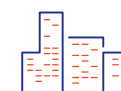
SALES/PAX

**€18.4**



RETAIL SPACE

**58,075 sq.m**



REAL ESTATE AREA  
DEVELOPED IN 2018

**58,400 sq.m**



REVENUE

**€4,478 M**



EBITDA

**€1,961 M**



NET INCOME ATTRIBUTABLE  
TO THE GROUP

**€610 M**



GRUPE ADP



Aéroports de Paris SA  
A public limited company (*Société Anonyme*) with share capital of €296,881,806.  
Registered office: 1 rue de France - 93290 Tremblay en France  
Registered in the Bobigny Trade and Company Register under no. 552 016 628

2018

# REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT

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

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

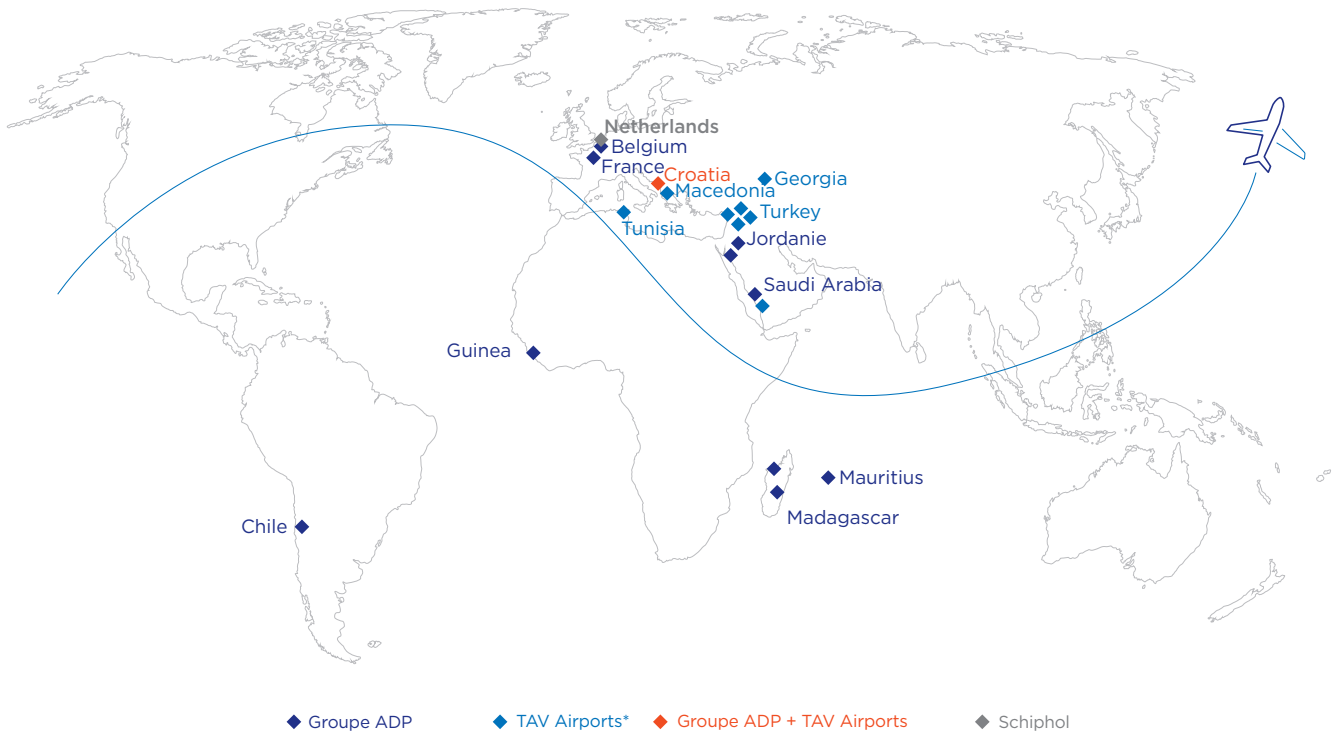
- ◆ the annual and consolidated financial statements of Aéroports de Paris for the financial year ended 31 December 2017 and the reports by the Statutory Auditors on these financial statements, presented in Chapter 20 of the Aéroports de Paris Registration Document filed with the AMF on 6 April 2018 under number D. 18-0298 (the "2017 Registration Document");
- ◆ the annual and consolidated financial statements of Aéroports de Paris for the financial year ended 31 December 2016 and the reports by the Statutory Auditors on these financial statements, presented in Chapter 20 of the Aéroports de Paris Registration Document filed with the AMF on 31 March 2017 under number D. 17-0288 (the "2016 Registration Document");
- ◆ examination of the financial position and results of Aéroports de Paris for the financial years ended 31 December 2016 and 2017, presented in Chapter 9 of the 2016 and 2017 Registration Documents;
- ◆ the Statutory Auditors' special report on regulated agreements and commitments for the financial years ended 31 December 2016 and 2017 presented in Appendix 1 of the 2016 and 2017 Registration Documents.



This Registration Document was filed with the AMF on 23 April 2019, 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.

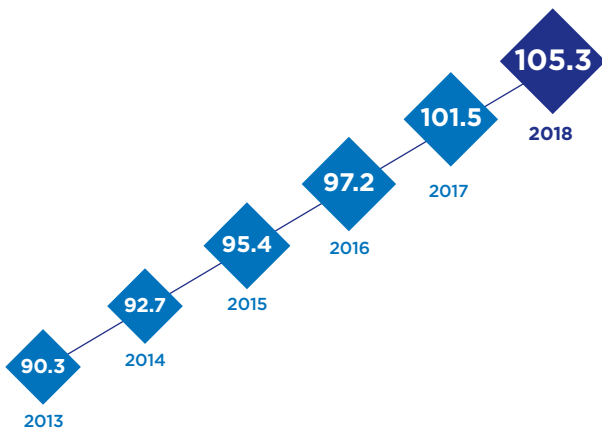
# PROFILE OF GROUPE ADP

## 25 AIRPORTS MANAGED AROUND THE WORLD

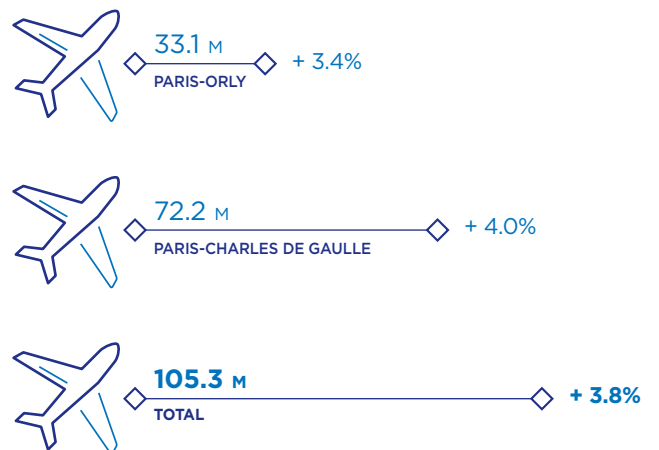


\* As a reminder, in 2018, TAV Airports acquired a 49% stake in ICF, which has the concession to operate Antalya airport, in Turkey.

NUMBER OF PASSENGERS USING PARIS AIRPORTS (in millions)



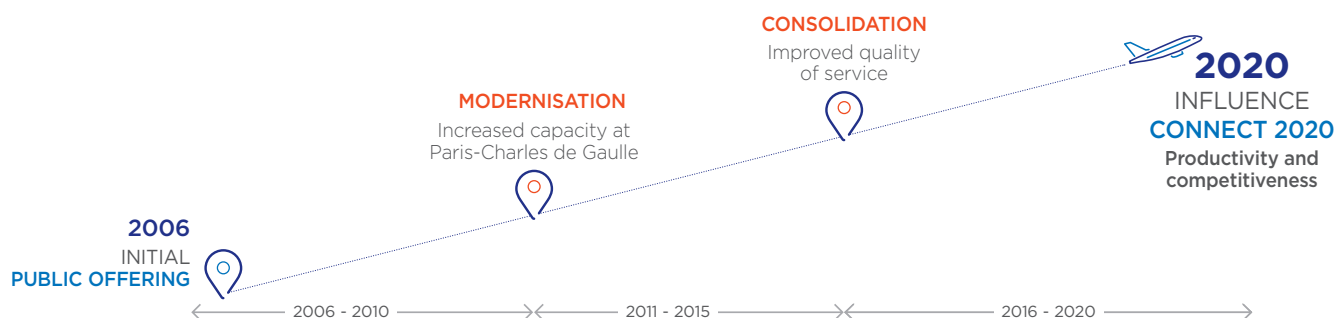
PASSENGERS PER PARISIAN AIRPORT IN 2018 (in millions)





# 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 – Groupe ADP, stated:

“Groupe ADP’s traffic grew by 7.6% in 2018 to reach 281.4 million passengers, making the Group world number one in airport management in terms of number of passengers.

Our 2018 results were excellent for all businesses. In 2018, revenue grew by 24% to €4,478 million and EBITDA by 25% to €1,961 million. Net result attributable to the Group was up by 6.9% at €610 million, and allows us to propose to the next General Meeting of Shareholders a dividend of €3.70 per share.

2018 saw the acceleration of the major infrastructure work planned as part of the Economic Regulation Agreement for the 2016-2020 tariff period and required to accommodate the sustained growth in traffic at the Parisian platforms. It also saw the deployment of Groupe ADP’s international strategy with the takeover of Airport International Group, the concession holder for Amman International Airport in Jordan. TAV Airports posted excellent results thanks notably to traffic growth of 10.4% and the acquisition of the concession holder at Antalya airport in May 2018.

Groupe ADP continues along the trajectory that it has set itself, and thanks to the good level of traffic and its financial discipline, has revised upwards certain objectives for 2020, notably the return on capital employed for the regulated scope. This performance will be put to work serving the long-term growth of our infrastructures.”

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# PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT

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 2018 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**



02

## STATUTORY AUDITORS

### 2.1 STANDING STATUTORY AUDITORS FOR THE 2018 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<sup>1</sup>

**Deloitte & Associés**, Tour Majunga, 6 place de la Pyramide, 92908 Paris - La Défense Cedex

Appointed by the General Meeting of Shareholders of 18 May 2015

### 2.2 SUBSTITUTE STATUTORY AUDITORS FOR THE 2018 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**, Tour Majunga, 6 place de la Pyramide, 92908 Paris - La Défense Cedex

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

<sup>1</sup> 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.



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## SELECTED FINANCIAL INFORMATION

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The consolidated financial statements of Groupe ADP for the financial years ended 31 December 2018, 31 December 2017 and 31 December 2016 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 2018 CONSOLIDATED ACCOUNTS

### Summary consolidated income statement

<i>(in millions of euros)</i>	<b>2018<sup>1</sup></b>	<b>2017<sup>1</sup></b>	<b>2016</b>
Revenue <sup>2</sup>	4,478	3,617	2,947
EBITDA <sup>3</sup>	1,961	1,567	1,195
Operating income from ordinary activities (including operating activities of associates) <sup>4</sup>	1,237	1,030	664
Operating income (including operating activities of associates)	1,235	1,052	696
<b>Net income attributable to the Group</b>	<b>610</b>	<b>571</b>	<b>435</b>

<sup>1</sup> 2018's data take into account the full consolidation of TAV Airports' results, since the 2nd half of 2017, and the full consolidation of AIG's results since April 2018.

<sup>2</sup> Income from ordinary activities of selling goods and services and leasing activities as a lessor. It also includes financial revenue linked to operational activity.

<sup>3</sup> EBITDA corresponds to the measurement of the operating performance of the parent company and its subsidiaries. It comprises revenue and other ordinary income from operations less purchases and current operating expenses excluding depreciation, amortisation and impairment of property, plant and equipment and intangible assets..

<sup>4</sup> 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, amortisation and impairment of property, plant and equipment and intangible assets, the share of profit or loss in associates and joint ventures from operating activities and the proceeds from the disposal of real estate assets..

### Summary consolidated balance sheet

<i>(in millions of euros)</i>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Non-current assets	12,890	11,139	8,106
Current assets	3,177	3,137	2,476
<b>TOTAL ASSETS</b>	<b>16,067</b>	<b>14,276</b>	<b>10,592</b>
Equity	4,850	4,577	4,284
Non-current liabilities	7,656	6,983	5,060
Current liabilities	2,610	1,859	1,241
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>16,067</b>	<b>14,276</b>	<b>10,592</b>

### Summary consolidated cash flows statement

<i>(in millions of euros)</i>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Cash flows from operating activities	1,551	1,270	875
Cash flows from investing activities	(1,636)	(888)	(624)
Cash flows from financing activities	227	(114)	(327)
<b>Change in cash flow</b>	<b>145</b>	<b>254</b>	<b>(76)</b>
Cash at opening	1,910	1,656	1,732
Cash at closing	2,055	1,910	1,656

### 3.3 FINANCIAL DEBT

<i>(in millions of euros)</i>	2018	2017	2016
Financial debt	7,066	5,911	4,484
Derivative financial instruments (liabilities)	63	54	20
<b>Gross financial debt</b>	<b>7,129</b>	<b>5,965</b>	<b>4,504</b>
Derivative financial instruments (assets)	(21)	(27)	(91)
Receivables and current accounts from associates	(117)	(90)	(58)
Cash and cash equivalents	(2,056)	(1,912)	(1,657)
Debt related to the minority put option	91	50	11
<b>Net financial debt</b>	<b>4,942</b>	<b>3,797</b>	<b>2,709</b>
Net financial debt / EBITDA	2.52	2.42	2.27
Net financial debt / equity ( <i>gearing</i> )	85%	70%	63%

03



04

# RISK MANAGEMENT AND CONTROL

<b>4.1 INTRODUCTION</b>	<b>12</b>	<b>4.3 RISK FACTORS</b>	<b>18</b>
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## 4.1 INTRODUCTION

The strategic plan "Connect 2020" is a natural extension of the Economic Regulation Agreement (ERA), signed with the French government for the period 2016-2020. It establishes Groupe ADP's objectives for the period 2016-2020. These projects concern both the Group's regulated and non-regulated activities. To achieve them, a management process has been introduced using indicators defined at Group level and deployed by entity.

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

The risk management and internal control system aims to correctly identify the risks inherent to the Group's activities and, consequently, develop appropriate responses.

## 4.2 RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

### General presentation

#### 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 of the Group's entities, are an integral part of risk control.

#### Governance and scope of the systems

The approach is coordinated by the Security and Risk Management Division, which reports to the Group's Secretary General, and by the Corporate Audit and Internal Control Division, reporting to the Chairman and CEO.

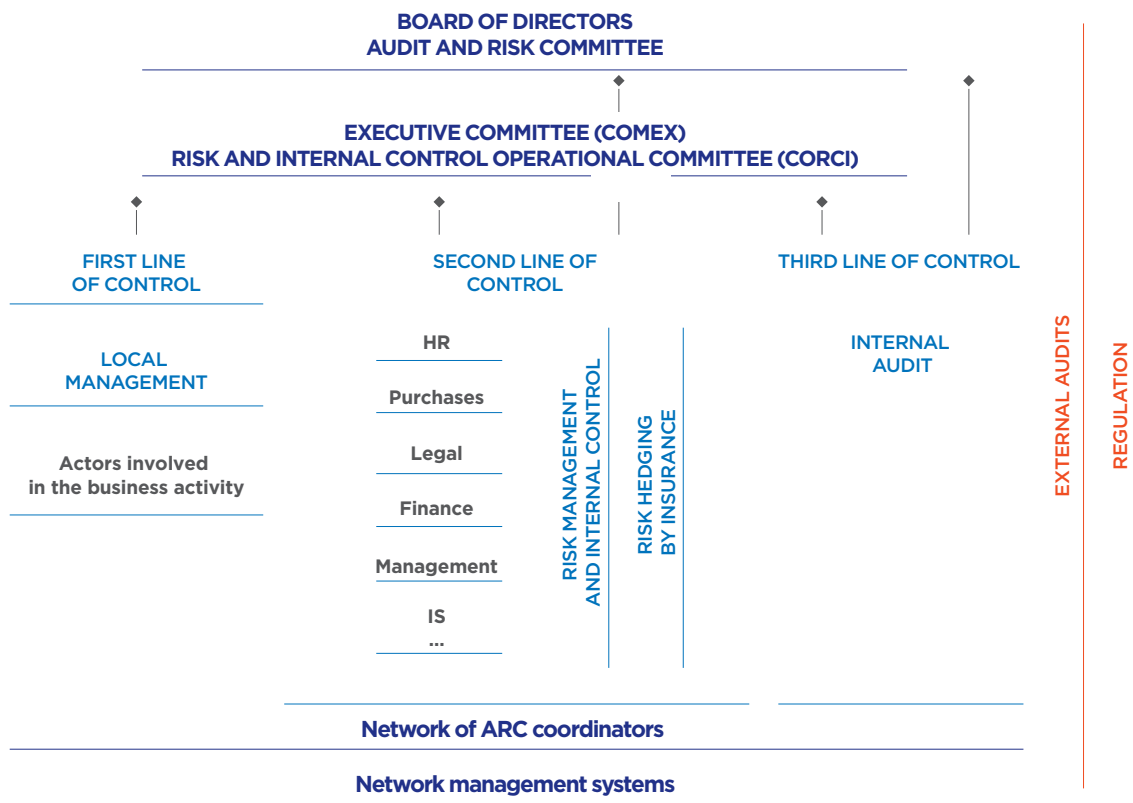
It is supported by:

- 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 Risk Committee, an extension of the Board of Directors, whose mandate is specified in the rules of procedure of the 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 entity<sup>1</sup> and 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).

In 2018, the scope of this system covers the Group and its exclusively controlled subsidiaries except for Airport International Group ("AIG") and Merchant Aviation whose consolidation is planned in 2019.



<sup>1</sup> In 2018, the entities correspond to the divisions of Aéroports de Paris, and to its wholly-controlled subsidiaries.

## Description of the risk management and internal control system

### The cornerstone of the system

- ◇ Groupe ADP has adopted ethics and compliance as governance principles. The implementation of the ethics and compliance programme is managed by the Ethics Department, which was created in 2018 and which reports to the Chairman and CEO, and by the Legal and Insurance Department. This programme is described in the "Governance and ethics" paragraph of the "Social, environmental and societal responsibility information" 2018 Management report chapter.
- ◇ 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.
- ◇ Risk management guidelines describing the methodology for the Group make up the final element of the system.

### Risk Management

This system aims to provide all stakeholders with an overall, fair vision of the Group's major risks and their level of control.

Risk mapping is updated every year. It enables the Group to identify the major risks and prioritise and deal with them and to monitor the actions identified. Risks are assessed according to their impacts and frequency, given the existing control measures. They are then prioritised according to their critical level. Major risks and risks deemed unacceptable<sup>1</sup> are the subject of priority handling. After a review in the Risks and Internal Control Operational Committee (CORCI), the Group mapping is submitted to the Comex, then presented to the Audit and Risk Committee and the Board of Directors.

Group risk management takes account of the CSR challenges identified by the materiality study carried out in 2018 is described in the "Social, environmental and societal responsibility information" 2018 Management report chapter.

### Business continuity and crisis management

Groupe ADP has put in place a business continuity and crisis management system in order to improve the management of external risks.

For this, it is supported by a Group Policy on Business Continuity (PGCA). Its aim is to guarantee services that are essential for the Company's operations. For each of these, 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, Groupe ADP's system aims to ensure continuity of the Group's operational 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. The Group's management continuity and crisis management system is described in a booklet. Crisis exercises are also carried out several times per year to test the system's effectiveness, with feedback enabling improvements to be made.

### Internal control

The aim of internal control is to contribute to risk management, the effectiveness of Group operations and the efficient use of its resources.

Groupe ADP's approach is to deploy the internal control system through cross-entity processes based on:

- ◇ existing management systems in some entities;

In 2018, all entities with a quality and management system are certified to ISO 9001 and ISO 14001, 2015 version;

- ◇ internal control systems deployed for the others.

### Insurance

The financial consequences of some risks can be covered by insurance policies where their order of magnitude justifies this and providing that cover is available on acceptable terms and conditions.

The Legal and Insurance Department oversees the general policy on Group insurance (see below), manages the use of insurance within the Group and provides coordination and expertise in this area in France and worldwide.

### Periodic monitoring of the system

The risk management and internal control systems are monitored by:

- ◇ the monitoring of major incidents and incidents due to unacceptable risks;
- ◇ the Audit Department;
- ◇ 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 identified by the Group's entities (100% owned subsidiaries). A review of these declared incidents is sent to the Chairman & Chief Executive Officer and Chief Operating Officer semi-annually.

### Internal audit

It 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.

<sup>1</sup> 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.



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

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 SA by external auditing and monitoring bodies (with the exception of management system audits).

The Audit Department collaborates with the internal audit teams at TAV Airports and Airport International Group ("AIG").

## 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 (see Chapter 19.1 of the 2018 registration document).

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.

Moreover, to obtain or maintain certification of their management systems, the various Group entities that are affected undergo annual external assessment audits, conducted by independent accredited organisations. These audits may lead to requests for improvement.

Aéroports de Paris is also subject to assessments by credit and extra-financial rating agencies.

## Limitations

The risk management and internal control system can only provide reasonable and not absolute assurance regarding the overall control of the Group's risks and objectives. Indeed, these systems have inherent limits, particularly regarding uncertainties affecting the international environment and possible failings due to mistakes or human error.

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

The risk management and internal control systems relating to the development and handling of financial and accounting reports concern the financial, management control and accounting areas. Accordingly, this principally concerns the Finance, Management & Strategy Department and the Accounts Department, which report to the Finance, Strategy & Administration Division.

## Departmental responsibilities

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, manages cash flow and debt 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 actions.

The Finance, Management & Strategy Division is responsible for a branch of management control (finance, management and strategy branches).

The **Corporate Accounts Division** makes accounting and financial reports available to different decision-making bodies within the Company, allowing them to monitor their performances. It is responsible for the production of financial statements and consolidated financial statements in accordance with 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.

04

## Processes and methods

### Group guidance

#### STRATEGIC STEERING

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 short and medium-term budget and reporting *objectives*. The Finance, Management & Strategy Division manages the strategic analysis process and the strategic objective operational planning process and has ensured its monitoring.

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. 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 and Airport International Group ("AIG") by Aéroports de Paris, and to take ADP International's role into account.

#### STRATEGY AND INVESTMENT APPROVAL PROCESS

The Group's steering mechanisms are based on institutional and managerial committee arrangements within the parent company.

As extensions of the Board of Directors of Aéroports de Paris, the Strategy and Investment Committee and Audit and Risk Committee make recommendations to it on, respectively:

- ◇ the definition and implementation of the strategic policies of Groupe ADP;
- ◇ the appropriateness of the Group's financial policy and the effectiveness of its risk management.

Their mandates are specified in the rules of procedure of Aéroports de Paris' Board of Directors (see Chapter 16.1 of the registration document).

Two internal company investment committees, chaired by the Chairman & CEO, are 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 business. 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 subsidiaries and equity investments that are above a certain threshold.

All major investment proposals are subject to an investigation by an internal approvals body, particularly for ADP Ingénierie and ADP International projects, before being submitted to Aéroports de Paris' COE. It is also the case of investment projects for TAV Airports.

Any project of this nature is reviewed by the Board of Directors of the subsidiary in question before being reviewed by the Board of Directors of Aéroports de Paris.

These arrangements are implemented while fulfilling obligations to consult staff representative bodies.

## Preparation of financial statements and consolidation

### FRAMEWORKS

All accounting processes are the subject of specific procedures, follow-ups, rules of validation, authorisation and accounting defined and stated by the Corporate Accounts Division (particularly for sales, purchasing, management of assets and cash flow, etc.).

### ACCOUNT CLOSURES, CONSOLIDATION AND MANAGEMENT REPORTS

The closure process of corporate accounts and consolidated financial accounts is based on a detailed calendar, which has been shared with all consolidated companies so as to ensure that deadlines are met and that the preparation of financial statements is coordinated.

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 October are reviewed within the framework of these missions.

In addition, managers of the Group's entities<sup>1</sup> sign an engagement letter every month to confirm the correctness of the accounting information they communicate relating to their area of responsibility.

## Budget and reporting

### BUDGET (OPEX/CAPEX) AND ROLLING FORECAST (OPEX)

In August every year, the Finance, Management & Strategy Division prepares and sends all financial directors and managers in the finance, management and strategy area:

- ◆ a framework note focusing solely on Aéroports de Paris SA and including information aimed at guiding the re-forecasting of investments for the current year and the Capex budget for the year to come. It also presents specific issues for attention and the particular features of the relevant budgetary campaign;
- ◆ an advance financial framework note for Groupe ADP for the next year, separating out Aéroports de Paris SA and the subsidiaries ("International and airport development" subsidiaries, commercial subsidiaries, real estate subsidiaries and Hub One).

The rolling forecast, introduced from the date of closing in February 2017, is applied to Groupe ADP's profit and loss statements, with each of the consolidated entities reporting its latest forecasts to the Finance, Management & Strategy Division. By allowing a monthly update of the exit point forecast at 31 December according to the latest available information, the rolling forecast strengthens the reliability of the financial forecasts and improves the Group's financial management.

On the other hand, investments are subject to two annual reforecasts. The rolling forecast focusing on investments will be introduced at a later date.

### REPORTING COMEX ANALYSIS REPORT

Each month, except for the end of the closing periods in January and July, the Finance, Management & Strategy Division produces an operating report for the Executive Committee. It incorporates the rolling forecast and its commentary is on the analysis reports drawn up by the entities.

## 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](http://www.groupeadp.fr)), along with several social media channels (Twitter, Facebook,...) in accordance with the AMF recommendation as published

<sup>1</sup> This covers the divisions of Aéroports de Paris SA and the companies consolidated by the Group.

in the guide on permanent information and management of protected information<sup>1</sup>. Executive Corporate Officers have received a charter on the use of the current financial communication procedure. The harmonisation of the financial communication practices of TAV Airports with those of Groupe ADP is continuing.

## IT system

The IT Systems Division provides the relevant departments of the Finance, Strategy and Administrative Division with:

- ◆ technical expertise on accounting and financial information systems (functional expertise being provided by so-called “business area” departments) along with their administration and support;
- ◆ the implementation of IT projects in this area.

It translates the Aéroports de Paris analytical management framework, managed by the Finance, Management and Strategy Division, into the management plans.

These internal control 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.

## 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. From 1 April 2018, the principal guarantee amount is €1,750 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 insured, but for a maximum annual amount of €30 million.

## Main policies directly benefiting the Company’s subsidiaries

Professional civil liability policies have been taken out on behalf of ADP International, ADP Ingénierie, Hub One, Airport International Group (AIG) and the various real estate subsidiaries, for the purposes of covering their activities carried out in France or abroad, as the case may be.

<sup>1</sup> Guide on permanent information and management of protected information DOC-2016-08.

## 4.3 RISK FACTORS

The main risks faced by Groupe ADP at the date of this report are summarised below. Actions are implemented to manage them.

Risk factors, which are presented according to their category, are classified by decreasing order of importance at the date of this report. The order

is assessed according to the extent of the potential impact and the probability of each risk occurring.

For extra financial risks, the policies and actions implemented and the results achieved are described in the "Social, environmental and societal responsibility information" chapter.

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

Risk category	RISK FACTORS	Extra-financial risks
<b>Strategic risks</b>	International risks	
	Risks related to customer satisfaction	
	Risks related to investments in developments and capabilities	
	Risks related to the competitive environment	
	Risks related to the customer portfolio structure	
	Risks related to ethics and compliance	✓
	Risks related to economic regulation	
	Risks related to legal and regulatory changes	
	Risks related to territorial integration	✓
	Risks related to the environment	✓
<b>Risks related to the Group's activities</b>	Risks linked to security	
	Risks linked to asset maintenance	
	Risks linked to the safety of people and goods	✓
	Risks linked to airport safety	
<b>Management organisation risks</b>	Risks related to data protection and cyber security	
	Human Resources risks	✓
<b>Financial risk</b>	Market risk	
	Liquidity risk	
	Credit risk	

## Strategic risks

### 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;
- ◆ asset management risks (in Turkey, the transfer of commercial flights from Atatürk airport to the new Istanbul Turquie airport will result in the early termination of the Atatürk airport lease);
- ◆ exposure to exceptional natural phenomena.

#### RISK MONITORING AND MANAGEMENT

Since 2017, ADP International, a wholly owned subsidiary of Aéroports de Paris, has been responsible for managing Groupe ADP's international activities namely, investments, airport operations and engineering and innovation.

In addition, in order to provide a foundation for its international development, ADP International has 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. In July 2018, it also acquired the consulting firm, Merchant Aviation, in order to strengthen the Group's engineering activity in the United States.

In Jordan, ADP International acquired exclusive control of Airport International Group ("AIG"), the concessionary of Queen Alia International Airport (QAIA) in Amman, by taking its equity interest to 51% in April 2018.

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

With regards to the end of the Atatürk airport concession: TAV Airports group was officially informed by the Turkish Civil Aviation Authority that, following the opening of the new Istanbul airport, it would be compensated before 2 January 2021, which is the end date of the current lease. The transfer of commercial flights to the new airport took place on 6 April 2019. TAV Airports Group is also preparing the "after-Ataturk" by deploying activities of its service subsidiaries in new cities.

In May 2018, it also acquired a 49% interest in the capital of the company which has the concession to operate Antalya's international airport, the second largest airport in Turkey in terms of international traffic. Antalya constitutes a real source of growth for TAV Airports Group.

The integration process contributes to the risk management internationally in 2018 through:

- ◆ a matching program with TAV Airports through its integration in the Groupe ADP's main financial processes (ex: rolling forecast settlement, coordination regarding financial communication);
- ◆ integration of TAV Airports and AIG to the Connect-2020 (definition of roadmaps, strategic indicators for 2020) and to the review of the annual Groupe ADP's Strategic committee;
- ◆ control of investments and of the strategy on the international scope organised through the Engagement committee, the Strategy and Investment committee;
- ◆ integration on both legal and tax topics. Integration on the accounting functions of ADP International and ADP Ingénierie to the accounting process of ADP SA since 2018.

Moreover, the internal control and management of the international scope have been strengthened by ADP International reviewing projects at each key stage.

In addition, Groupe ADP's tax policy is aligned with the standards of the Organisation for Economic Co-operation and Development (OECD) contributing to combating instances of tax evasion. This issue is described in the "CSR policy" paragraph of the "Social, environmental and societal responsibility information" chapter.

## Risks related to customer satisfaction

### RISK IDENTIFICATION

Customer satisfaction is a priority for Groupe ADP. It is a quality of service issue and one of the fundamental airport operator business activities.

Given Groupe ADP's competitive environment, a low level of quality of service could affect customer satisfaction and, therefore, the attractiveness of its airports.

### RISK MONITORING AND MANAGEMENT

Customer satisfaction is a core part of the Connect 2020 strategic plan. Indeed, the Group's objective is to become one of the leading European airports in terms of quality of service<sup>1</sup>.

In order to improve passengers experience in the Île-de-France airports, the Customer Division has deployed a "Connecting client 2020" strategy that revolves around four principles:

- ◆ raising the quality of service to the level of the best European airports, in particular by providing a smooth passenger experience. 2018 actions were to:
  - ◆ reduce waiting time at border controls, in particular by deploying PARAFE2 automated control gates,
  - ◆ introduce new directional information for customers (signage and furniture),
  - ◆ deploy the reception system in the terminals;
- ◆ increase the number of destinations offered from and to Paris;
- ◆ simplify and personalise the customer relationship, in particular by means of digital technology;
- ◆ propose the best of the Parisian experience, through a unique offering of retail and services, in particular by:
  - ◆ enhancing services for customers,
  - ◆ its museum's cultural offering,
  - ◆ retail and catering offering with well-known, quality brands, offering travellers a wide range of sales outlets.

In addition, major refurbishment projects at the Paris airports contribute to creating a differentiating experience.

Internationally, five airports managed by Groupe ADP, or which benefit from technical assistance agreements concluded with the Group, were rated amongst the best in the world in the 2017 Airport Service Quality ranking of the Airport Council International (ASQ/ACI). The airports in question are Zagreb (Croatia), Amman (Jordan), Mazatlán (Mexico), Mauritius, and Medina (Saudi Arabia). The last two airports and the Skopje (Macedonia) were highly ranked in the 2018 Skytrax rating.

## Risks related to investments in developments and capabilities

### RISK IDENTIFICATION

Groupe ADP's Île-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.

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.

It should be noted that at a Group level, purchases of property, plant, equipment and intangible assets by TAV Airports and Airport International Group ("AIG") were not significant.

### 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 Île-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.

<sup>1</sup> Quality of service is measured by the overall ACI/ASQ score, which is an airport service quality indicator formulated by Airport Council International.

<sup>2</sup> PARAFE is an automated border control service offered within Paris-Charles-de-Gaulle and Paris-Orly airports.

## Risks related to the competitive environment

### RISK IDENTIFICATION

The airports operated by Groupe ADP are, because of their respective geographical locations and the nature of the traffic handled, in competition with the main hub airports of varying importance.

For example, the Group's Île-de-France region platforms are in competition with:

- ◆ the main *European* and Middle Eastern hubs;
- ◆ the major European airports receiving direct intercontinental flights;
- ◆ airports serving the Île-de-France region for low-cost airline traffic;
- ◆ high-speed trains for journeys of less than three hours to and from Paris.

Developing the attractiveness of all of Groupe ADP's airports is a major challenge for the Group. Please refer to the paragraph in Chapter 6 on "Competition" of the 2018 registration document.

### RISK MONITORING AND MANAGEMENT

Changes in the worldwide air traffic market are monitored by the Finance, Management and Strategy Division and by ADP International.

Winning market share through proactively seeking traffic is a strategic focus for Groupe ADP's activity both in Paris and internationally.

The Connect 2020 strategic plan establishes this intention which is, among others, led by the Customer Division. In Paris in particular, the Division has put in place incentives aimed at encouraging the development of new routes and/or flights by passenger and cargo airlines.

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



## Risks related to the customer portfolio structure

### RISK IDENTIFICATION

As Groupe ADP's principal airports are those of the Île-de-France airport system, exposure to risk is focused mainly on the Paris-Charles de Gaulle and Paris-Orly airports whose main customer is the Air France-KLM Group<sup>1</sup>, a member of the Skyteam Alliance.

In 2018, it represented around 43.6% of Aéroports de Paris' revenue and 45.9 million 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.

<sup>1</sup> Grouping: Air France-KLM, Hop!, Transavia.

## Risks related to ethics and compliance – Extra-financial risk

### RISK IDENTIFICATION

In view of the expectations regarding ethics and compliance (the Sapin II and Potier laws, existing standards, etc.), 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

The implementation of Groupe ADP's ethics and compliance programme is managed by the Ethics Department, which was created in 2018, together with the Legal and Insurance Department. These two departments are supported by "ethics and compliance" contacts to implement the programme within the Group's main subsidiaries.

This programme is based on the following seven pillars:

- ◆ management setting an example;
- ◆ mapping risks related to ethics and compliance and to the duty of vigilance;
- ◆ programme monitoring at a Group and subsidiary level bodies;
- ◆ the definition and implementation of policies, rules and methods, the sharing of engagements with the stake *holders* (ex: signature of the ADP SA CSR charter by the suppliers);
- ◆ the whistle-blowing mechanism in the form of a platform accessible to all of the Group's employees and those of its suppliers;
- ◆ training, awareness-raising and information for all of the Group's employees, particularly through the forthcoming introduction of an e-learning programme;
- ◆ monitoring of the ethics and compliance mechanism, particularly by establishing the first ethics climate barometer.

The goals, policies and achievements of this extra-financial risk are described in the "Governance and ethics" paragraph of the "Social, environmental and societal responsibility information" chapter.

## Risks related to economic regulation

### RISK IDENTIFICATION

The missions of Aéroports 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, the Independent Supervisory Authority for Airport Fees (ASI) is in charge, in line with article R. 224-7 of the French Civil Aviation Code, of the approval of the annual pricing for airport charges made by Aéroports de Paris.

Even with the application of an Economic Regulation Agreement (ERA) which set the conditions of the pricing for airport charges, and despite the French Civil Aviation Code articles, the ASI shall be subject to challenge the elements which are included within the annual airport charges proposal, under the control of an administrative judge.

Finally, both the pricing and approval decision can lead to an action for annulment before the administrative judge.

### RISK MONITORING AND MANAGEMENT

In support of the ERA 2016-2020, the "Connect 2020" strategic plan 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.

For the 2019-2020 annual pricing, the ASI did not approved the first pricing proposal made by Aéroports de Paris (increase of 2.944% for the three airports). Aéroports de Paris made a second pricing proposal, which increase by +1.00% the tariff for Paris-Charles de Gaulle and Paris Orly airports, and by +3.52% for Paris-Le Bourget airport.

This second proposal was approved by the ASI.

See chapter 6 – point related to the evolution of fee levels for the 2019-2020 annual pricing.



## Risks related to legal and 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;
- ◆ data protection and cyber security.

### RISK MONITORING AND MANAGEMENT

In France and Europe, the Public Affairs Division, reporting to the Group's Secretary General, carries out regulatory monitoring on its behalf. Responsible for institutional relations, it has structured the Group's discussions with national and European parliaments, ministers, supervisory authorities and European Union bodies in accordance with the Sapin II Law on the transparency of relations with interest group representatives and the public authorities.

In the other countries where it operates, the Legal and Insurance Division of Aéroports de Paris SA ensures that the Group complies with international standards.

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## Risks related to territorial integration - Extra-financial risk

### RISK IDENTIFICATION

With global air traffic undergoing dynamic growth, the challenge for Groupe ADP's airports is to capture these flows in a competitive environment. Infrastructure and development projects are necessary to receive increased traffic and to allow the Group's development. However, traffic growth has an environmental, economic and social impact on stakeholders, particularly in the regions where it will take place.

Failing to consider and respond to these regional challenges could hinder the development of the Group's business activity.

### RISK MONITORING AND MANAGEMENT

"To stimulate and share sustainable growth", particularly involving the regions, is one of the priorities of Groupe ADP's Connect 2020 strategic plan.

Accordingly, for its Île-de-France airports, the Group ensures in particular that it:

- ◆ reduces its environmental footprint and that of its partners (see below "Risks related to the environment");
- ◆ establishes a constructive dialogue with its stakeholders, particularly through the "maisons de l'environnement" environmental centres at Paris-Charles de Gaulle and Paris-Orly;
- ◆ shares the value created by developing the airport activity with the regions, to the benefit of their regional authorities, their companies and their inhabitants.

Aéroports de Paris SA is involved in collaborative partnerships bringing together all stakeholders, such as GIP Emploi Hubstart for Grand Roissy le Bourget, in order to:

- ◆ promote the region's economic development by attracting new projects and companies;
- ◆ contribute to the development of local companies, particularly internationally;
- ◆ promote access to employment by local people particularly through appropriate training programmes;
- ◆ promote and reinforce the attractiveness of the region in order to offer a competitive and attractive environment for companies, employees and inhabitants.

There is also a collaborative partnership in place at Orly (Orly International).

The voluntary public consultation regarding the Paris-Charles de Gaulle development as well as the Terminal 4 project is an opportunity to emphasize these projects and to complete them with the proposal made by the different stakeholders.

In addition, the Groupe ADP Foundation supports general interest projects in the regions where the Group operates in France and abroad, such as in Morocco, Mauritius and Madagascar, prioritising the fight against illiteracy and the prevention of school dropouts, predominantly for disadvantaged populations.

The goals, policies and achievements of this extra-financial risk are described in the "Regional policy" paragraph of the "Social, environmental and societal responsibility information" chapter.

## Risks related to the environment – Extra-financial risk

### RISK IDENTIFICATION

Given its business activity, Groupe ADP is exposed to environmental risks of both an external and internal nature:

- ◆ risks from climate change: 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.):

- ◆ risks related to the Group's activity with particular regard to pollution (emissions to air, water and soil and noise) and waste management, resource use (water, energy), protecting biodiversity and sustainable development.

Failing to take these issues into account could have a negative impact on the Group's development.

Moreover, Groupe ADP's activities are subject to regulations requiring compliance with increasingly strict standards, which could increase compliance costs.

### RISK MONITORING AND MANAGEMENT

Groupe ADP analysed and evaluated the "natural environment" risk, including the effects of climate change on the Group's activities, and leading to an update of this risk in 2018. Measures to adapt to the risk are addressed in the "Environmental policy" paragraph of the "Social, environmental and societal responsibility information" chapter.

In order to help to combat climate change, the Company implements a low-carbon strategy described in the "Environmental policy" paragraph of the "Social, environmental and societal responsibility information" chapter.

Groupe ADP's 2016-2020 Environment and Energy Policy covers six themes (energy, water, waste, air and emissions, biodiversity, and sustainable development). It incorporates ambitious objectives linked in particular to the guidance provided by the Economic Regulation Agreement (ERA) 2016-2020 and the Energy Transition Law for Green Growth of August 2015.

The goals, policies and achievements of this extra-financial risk are described in the "Environmental policy" paragraph of the "Social, environmental and societal responsibility information" chapter.

## 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.

In France, the alert level of the national vigilance, prevention and protection plan against the terrorist threat (Vigipirate) was at "increased security-attack risk" level at year-end.

With the entry into force of antiterrorism laws, the state of emergency was lifted in France in October 2017 and in Turkey in July 2018.

#### RISK MONITORING AND MANAGEMENT

In France, in order to prevent the occurrence of malevolent acts:

- ◆ the Airport Operations Division 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 (OIV) 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 Safety and Risk Management Division, which regularly undertakes crisis exercises addressing different issues in order to improve the system's effectiveness.

The international airports have put in place robust security systems. Nevertheless, the Group operates in countries where the geopolitical risk remains high. As a result, this risk is mainly of an external nature. It requires the constant reinforcement of control systems.

## Risks linked to asset maintenance

### RISK IDENTIFICATION

Groupe ADP 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 Île-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.

At all of the airports managed by the Group, infrastructure maintenance presents challenges in terms of security, image, customer satisfaction (airlines, passengers), operational effectiveness and relations with the concessionary authority (under the concession specifications).

### RISK MONITORING AND MANAGEMENT

Infrastructure maintenance and investments to address obsolescent facilities is one of the priorities of the "Connect 2020" strategic plan (€1 billion in investments allocated to the Île-de-France airports).

In France, the Airport Operations Division manages technical policy (notably in terms of maintenance and obsolescence) and infrastructure information.

The condition of the Île-de-France airports and resources necessary for maintaining them in operation are monitored by the Strategy and Investment Committee.

In other countries where the Group operates, infrastructure maintenance is continuously monitored under the concession agreements between the Group's international entities and the concessionary authorities.

04

## Risks linked to the safety of people and goods – Extra-financial risk

### RISK IDENTIFICATION

The safety of people and goods is a priority for Groupe ADP. This mainly covers:

- ◆ the Group's employees (including expatriates and employees seconded abroad) as an employer, in relation to workplace health and safety;
- ◆ subcontractors operating at the Group's facilities;
- ◆ customers, partners and any members of the public visiting the facilities. Their safety may be put at risk in the event of a failure to follow the applicable rules and Aéroports de Paris may be held liable. This situation could also lead to the suspension of the administrative permissions required for operation.

In this respect, protecting goods is a key aspect of safety of individuals.

### RISK MONITORING AND MANAGEMENT

The prevention of occupational risk is a permanent priority objective for the Group. Workplace accidents involving Groupe ADP's employees<sup>1</sup> and those of its subcontractors are regularly monitored by the Executive Committee of Aéroports de Paris SA.

The purpose of the mobilisation plan is to take action to:

- ◆ prevent accidents on foot or in vehicles (work and journey);
- ◆ prevent aggression and uncivil behaviour at airports (involving homeless people, illegal taxis);
- ◆ combat psychosocial risks;
- ◆ prevent risks to subcontractors, by granting more weight to health and safety criteria in awarding contracts and by monitoring their accidents and preventive actions.

A central unit reporting to the Human Resources Division manages these systems, supported by a network of prevention contacts in each division.

The actions undertaken to reinforce prevention management are described in the "Social policy" paragraph of the "Social, environmental and societal responsibility" chapter.

The Security and Risk Management Division also supervises the protection system for the Group's expatriates on long- and short-term assignment. This system is described in the travel policy. It is supported by training on safety awareness abroad.

Since 2016, Groupe ADP has deployed security measures (see above, risks linked to security) enabling the land side at the Paris airports to be secured, which remains the responsibility of the French government.

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

<sup>1</sup> Aéroports de Paris SA and its subsidiaries ADP International, ADP ingénierie, Hub One and TAV Airports.

## Risks linked to airport safety

### RISK IDENTIFICATION

The safety of civil aviation is a priority for the air transport industry. Safety standards are established at a global level under the aegis of the International Civil Aviation Organisation (ICAO). These measures include the standards and practices recommended by the ICAO and which the signatory states of the Chicago Convention of 7 December 1944 have undertaken to implement. They are not directly applicable and are only ascribed a regulatory value when they are transposed into the states' national laws.

For airports situated in the European Union, the applicable legal framework is set by European Community law and by the rules of the European Aviation Safety Agency (EASA), which reflect the ICAO's recommended standards and practices. On this basis, the European Airport Security Certificate can be granted in accordance with the provisions of Regulation (EC) No. 216/2008 of the European Parliament and of the Council of 20 February 2008.

For airports situated in countries outside the European Union, Groupe ADP is subject to the current local certification processes.

Violation of these standards is likely to jeopardise the safety of air transport, prevent the operation of airports and the Group could be held liable.

In addition, these standards could be strengthened, making Groupe ADP responsible for fulfilling additional obligations.

### RISK MONITORING AND MANAGEMENT

As an airport operator, Groupe ADP is responsible for airport safety (in particular, maintenance, operation, development, surveillance, etc.) at the airports for which it is responsible.

In France and in the European Union, the Group holds a European Airport Safety Certificate for each of its airports.

Since 2017, the national certificates held by Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports have been converted into European Airport Safety certificates<sup>1</sup>. In application of the commitments made as part of the European certification, a Compliance Monitoring Manager was appointed within the Airport Operations Division.

For all airports in countries outside the European Union in which it operates concessions, Groupe ADP introduces best practices in accordance with the ICAO's international standards.

## Management organisation risks

### Risks related to data protection and cyber security

#### RISK IDENTIFICATION

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

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

Increasingly frequent and sophisticated large-scale and worldwide cyber attacks, associated with the increasing digitisation of the Group's activities and the opening of the information system to the airport ecosystem, are such as to expose the Group to increased risks.

In addition, the new regulatory obligations (particularly with the entry into force in May 2018 of the new European data protection regulation (GRPD)) have led Groupe ADP to reinforce its vigilance and to introduce compliance plans.

#### RISK MONITORING AND MANAGEMENT

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

- ◆ Group policies on information protection, personal data protection and IT system security, which all contribute to the security of Groupe ADP's data;
- ◆ dedicated organisations and governance with specifically:
  - ◆ a Strategic Committee for the Security of IT Systems (C3SI), which defines the strategic guidelines on IT system security,
  - ◆ an Operational Committee for the Security of IT Systems (COSSI), which approves measures that ensure compliance with the strategic guidelines on IT system security,
  - ◆ a Head of Group IT System Security (RSSI), who coordinates these bodies and also represents the Group to external bodies,
  - ◆ a network of IT system security correspondents in each Group entity.

The context has led Groupe ADP to commit to a number of actions including:

- ◆ a major awareness raising plan for Group staff, called Vigie Info;
- ◆ a Group GDPR compliance plan, which led in particular to the appointment of Data Protection Officers for Aéroports de Paris and its main subsidiaries<sup>2</sup> in 2018;
- ◆ an assessment of the compliance of its critical IT systems with regulatory obligations and the implementation of any corrective actions.

<sup>1</sup> See Commission Regulation No. 139/2014 of 12 February 2014.

<sup>2</sup> Hub One, ADP International, ADP ingénierie.

## Human resources risks – Extra-financial risk

### 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.

The achievement of Groupe ADP's objectives and results may be affected by:

- ◆ inadequate human resources and skills for its needs and development;
- ◆ a sudden deterioration in the labour-management relations climate.

### 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:

- ◆ anticipating and managing changes in organisations and jobs;
- ◆ promoting the development of employees and the development of a managerial culture;
- ◆ attracting and retaining talent, whilst complying with the Company's CSR commitments.

In France, Aéroports de Paris SA negotiated a new agreement in 2018 that redefines the employment and skills policy. It aims to prepare for the challenges of changes to employment and skills on a 2025 horizon.

Managing talents and career paths allows us to:

- ◆ meet the strategic needs of the Company and organisations, including the Group and international dimensions;
- ◆ provide visibility to employees.

Aéroports de Paris SA places particular importance on the quality of labour-management discussions. A significant step forward for the future and the quality of labour-management discussions will be made through the ongoing work on changing the current bodies into a Social and Economic Committee (CSE).

In Turkey, TAV Airports has prepared a plan to support redundancies brought about by the early end to the Atatürk airport concession.

The goals, policies and achievements of this extra-financial risk are described in the "Social policy" paragraph of the "Social, environmental and societal responsibility information" chapter.

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## Financial risk

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:

- ◆ market risk;
- ◆ liquidity risk;
- ◆ credit risk.

## 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 2018 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.

The majority of Groupe ADP's exposure to interest rate risk derives from its financial indebtedness and to a lesser extent its portfolio of rates derivatives.

#### Exchange risk

The main currencies in which transactions are denominated are the Euro and certain other currencies such as the US dollar and the Persian Gulf currencies.

### RISK MONITORING AND MANAGEMENT

The Company has a limited interest rate exposure policy. Low rates have led the Group 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 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 2018, 78% of the financial Groupe debt is at fixed-rate.

Following the takeover of TAV Airports, 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 (TRY) 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.

## 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 2018 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.

Aéroports de Paris may be exposed to the risk of early repayment of bonds and loan issues contracted through the European Investment Bank (EIB). Change of control and rating reduction clauses are included in the contracts

Aéroports de Paris does not have 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.

As part of monitoring its credit rating, Aéroports de Paris holds regular discussions with Standard & Poor’s rating agency.

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 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) and loss by the French state of most of its share capital and its voting rights, and in case of a substantial decrease of the project cost as defined in the loan contract (proportional reimbursement 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.

04

## Credit risk

### RISK IDENTIFICATION

### RISK MONITORING AND MANAGEMENT

#### Credit risks

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, derivatives and guarantees given.

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

#### Trade and other receivables

The Group exposure to credit risk is principally affected by the individual characteristics of each customer. Around 24.4% of the Group revenue is derived from services sold to its main customer Air France.

Receivables are continuously monitored. Therefore, exposure to credit risk is not significant given the guarantees that the Group has, its receivables monitoring system and the application of IFRS 9.

Figures concerning receivables and the age of current receivables are detailed in Note 9 to the Chapter 20 of the 2018 registration document "Analysis of risks related to financial instruments".

In accordance with IFRS 9, the Group determines a level of write-down on accounts receivable from clients that represents its estimate of expected credit losses. These are calculated on the basis of statistics according to the nature of the activities.

#### Investments and derivative instruments

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.

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

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 14 to the Chapter 20 of the 2018 registration document).

The Group's policy is only, where possible, to grant financial guarantees on behalf of wholly-owned subsidiaries. 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, and pledge over bank accounts) in relation to bank loans that are intended to finance the construction and operation of certain concessions.





# INFORMATION ON THE COMPANY

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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.

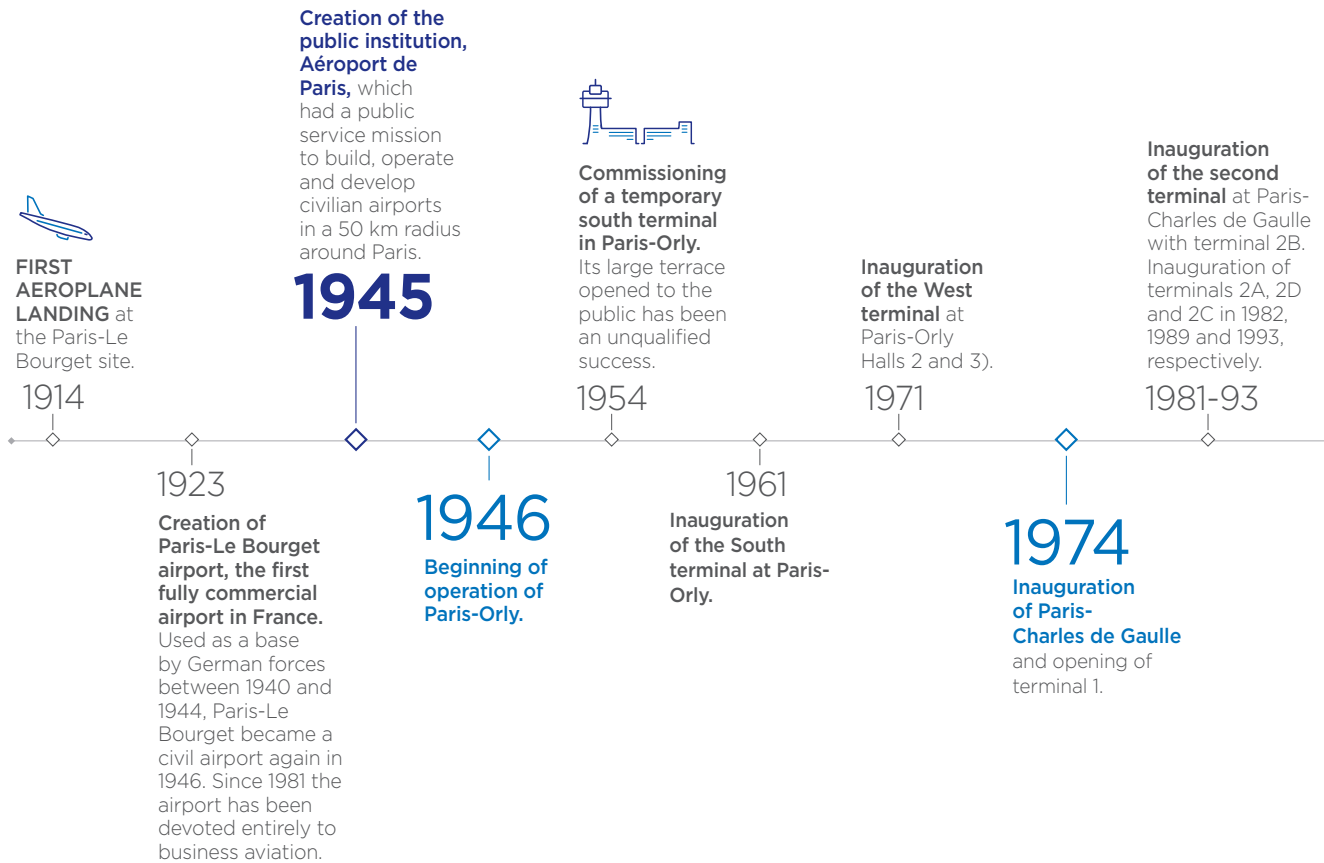
Term: 99 years starting from 20 July 2005, except in the event of early liquidation or extension.

### 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



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

**Signing of the  
Economic Regulation  
Agreement (ERA)**

for the period  
2006-2010, that  
defines a limit on  
the average increase  
in airport fees,  
the programme  
of projected  
investments and  
quality of service  
objectives for  
Aéroports de Paris.

05

**2006**

**1989**

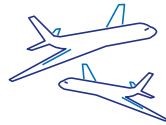
**Aéroport de  
Paris becomes  
Aéroports  
de Paris.**

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

1994

1995

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



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

1997-2000

1998-1999

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



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

2003

2005

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



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

**Acquisition of 38% of the capital in TAV Airports**

(a leading Turkish airport operator, operating 13 airports<sup>1</sup> in 7 countries, including Istanbul's Atatürk airport) and 49% of the capital in TAV Construction (a construction and public works company specialising in aviation projects).

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

**Acquisition in July of an additional 8.12% - stake in TAV Airports bringing Groupe ADP stake from 38% to 46.12%.**

Disposal of the 49% stake in TAV Construction in July.

Paris Aéroport crosses the 100 million passenger threshold.

**2017**

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

2007

**2010**

**Signing of the 2011-2015 Economic Regulation Agreement (ERA)** over the 2011-2015 period, with the implementation of the adjusted till model.

2012

**2015**

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

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

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

**2018**

Acquisition in April of an additional 41.5% equity stake in Airport International Group (AIG), concession holder of the Queen Alia (QAIA) international airport. Amman, Jordan. Through this acquisition, Groupe ADP will fully consolidate the AIG financial statements.

<sup>1</sup> 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>	2018	2017	2016
Capacity investments	293	256	220
Restructuring investments	139	81	69
Renovation and quality	285	232	255
Real estate development	143	126	122
Security	84	55	26
Cost of studies and supervision of works (FEST)	103	95	90
Other	31	34	11
<b>Tangible and intangible investments, of which</b>	<b>1,078</b>	<b>879</b>	<b>792</b>
<i>Investments made by ADP SA<sup>1</sup></i>	936	801	774
<i>Investments made by Aéroports de Paris subsidiaries</i>	142	78	18

05

<sup>1</sup> Parent company of Aéroports de Paris group.

2018 was impacted by tangible and intangible investments amounting to €1,078 million for Groupe ADP including €936 million for the parent company (€801 million in 2017) and €142 million for subsidiaries (€78 million in 2017).

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;
- ◆ the continuing renovation of terminal 2B and its junction with terminal 2D;
- ◆ preparatory works for the construction of CDG Express;
- ◆ the construction of the junction of international satellites of terminal 1;
- ◆ the completion of the new registered office and Baikal office building;
- ◆ the purchase of standard 3 hold baggage screening equipment in accordance with European regulations;
- ◆ the improvement of sanitary facilities to comply with standards;
- ◆ extension work to the India areas;
- ◆ the refurbishment of hall L in terminal 2E;
- ◆ signposting;
- ◆ the redesign of the hall L retail areas in terminal 2E;
- ◆ compliance work on the rainwater treatment systems;
- ◆ renovation of the aircraft taxiway junction between taxiways BD1/B/BM4 in the north-east corner of the airport;
- ◆ installation of Visual Docking Guidance Systems and information screens ("timers") for pilots and runway personnel;
- ◆ refurbishment of the CDG1 RER train station at Roissy-pôle.

Investments at Paris-Orly Airport mainly related to:

- ◆ further construction work for the junction building between the South and West terminals;
- ◆ bringing the East baggage sorting facilities in the South Terminal into compliance with regulations;
- ◆ the Orly Ouest Hall 1 extension;

- ◆ preparatory works for runway 3 renovation;
- ◆ the renewal of waterproofing and strengthening of bridge no. 2 under runway 3;
- ◆ the restructuring of hall B at Orly South;
- ◆ extension work to the Golf areas and compliance work on the LGN-LGS bend;
- ◆ the creation of a taxi operating base;
- ◆ preparatory work before the construction of the future Grand Paris station;
- ◆ the construction of a building for the apron control room and the snow control room and for Aircraft Process operating teams;
- ◆ the improvement of sanitary facilities to comply with standards;
- ◆ the construction of an Airport Operations Centre (APOC);
- ◆ the creation of a new retail area in the Orly South international departures area.

Investments at Paris-Le Bourget mainly related to the construction of a training centre for AFMAE apprentices.

In 2018, Aéroports de Paris also made investments in its support functions and projects common to both airports, particularly in the IT area.

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 2018 euros from 2018)</i>	<b>Actual 2016</b> <i>(in euros 2016)</i>	<b>Actual 2017</b> <i>(in euros 2017)</i>	<b>Actual 2018</b>	<b>Projected 2019</b>	<b>Projected 2020</b>	<b>Total 2016-2020</b>
Regulated scope <sup>1</sup>	538	545	628	790	604	3,104
Shops and other investments	84	96	174	167	184	705
Diversification real estate	120	99	41	43	41	343
Safety and security	33	62	93	163	212	564
<b>TOTAL AÉROPORTS DE PARIS (EXCLUDING FINANCIAL INVESTMENTS)</b>	<b>775</b>	<b>801</b>	<b>936</b>	<b>1,164</b>	<b>1,041</b>	<b>4,716</b>

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

Aéroports de Paris's projected investment programme between 2016 and 2020 totals €4.7 billion, excluding financial investments.

This programme also excludes the potential investments linked to the acquisitions of holdings in France or abroad.

This programme does not take into account the potential investments relating to CDG Express either, which will be undertaken by the infrastructure<sup>1</sup> project management company, of which Aéroports de Paris owns one-third of the capital.

The total cost of CDG Express is €2.1 billion, which will be covered in an amount of approximately €400 million in shareholders' equity by shareholders of the project company, shared equally between Groupe ADP, SNCF Réseau and the CDC, and in the maximum amount of €1.7 billion by a loan from the French State. The State loan will be reimbursed using revenues from the infrastructure manager.

On 5 April 2019, during its Investors' Day, Groupe ADP published certain investment forecasts for 2025. Excluding financial investments, over the 2021-2025 period, the Group expects to invest around €7.7 billion of which:

- ◆ €6.0 billion for the regulated scope in accordance with the investment plan proposed by Aéroports de Paris as part of the 2021-2025 Economic Regulation Agreement (for which the Public Consultation Document was issued on 2 April 2019). This proposed investment plan is presented below;
- ◆ €0.6 billion for the scope of shops and other investments (of which around €100 to €150 million dedicated to the construction and renovation of the shopping areas in the terminals);
- ◆ €0.6 billion for the real estate scope (i.e. around €700 to €750 million in total over the 2019 to 2025 period);
- ◆ €0.5 billion for safety/security (around €900 million in total over the 2019 to 2025 period), with notably the continued deployment of Standard 3 EDS detection equipment by the end of 2022.

These investment forecasts presented during the Investors' Day do not constitute new forecasts and targets. They are the Group's vision by 2025, which supplements the unchanged targets in the Connect 2020 plan, in light of Aéroports de Paris' proposal for the next Economic Regulation Agreement, which is liable to change up to the contract's signature.

<sup>1</sup> On 11 February 2019, the CDG Express infrastructure manager signed the concession contract with the French State for work on the CDG Express link project.

## 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:

<i>(in millions of euros 2018, as of 2018)</i>	Actual 2016 <i>(in euros 2016)</i>	Actual 2017 <i>(in euros 2017)</i>	Actual 2018	Projected 2019	Projected 2020	Total 2016-2020
<b>Maintenance</b>	<b>196</b>	<b>186</b>	<b>211</b>	<b>335</b>	<b>213</b>	<b>1,141</b>
Paris-Charles de Gaulle - Renovation of terminal 2B	12	28	27	26	26	119
Paris-Charles de Gaulle - Renovation of terminal 2D	-	-	-	2	5	7
Paris-Charles de Gaulle - Current Investments	121	92	90	105	102	510
Paris-Orly - Current Investments	42	40	60	174	43	360
Paris-Le Bourget - Current Investments	1	2	1	4	13	21
Aeronautical real estate - Current Investments	6	4	8	9	8	35
Computer networks and systems	14	19	25	15	15	89
<b>Compliance with regulations</b>	<b>53</b>	<b>38</b>	<b>17</b>	<b>19</b>	<b>16</b>	<b>143</b>
Regulatory runway investments	38	19	10	15	10	92
Rainwater	11	15	5	1	2	35
Other regulatory compliance investments	3	4	1	4	4	16
<b>Optimisation of capacities and One Roof initiative</b>	<b>117</b>	<b>145</b>	<b>158</b>	<b>132</b>	<b>138</b>	<b>691</b>
Paris-Orly - Connecting of the South and West terminals	101	96	94	36	17	345
Paris-Charles de Gaulle - Connecting of the 2B and 2D terminals	2	5	29	35	40	112
Paris-Charles de Gaulle - Connecting of terminal 1 satellites	4	4	16	34	40	98
Airport infrastructures	4	16	9	5	10	44
Other terminal projects	7	24	8	17	16	72
Terminal 4 preparatory work			1	4	15	20
<b>Improving access</b>	<b>20</b>	<b>27</b>	<b>39</b>	<b>45</b>	<b>33</b>	<b>165</b>
Paris-Charles de Gaulle - CDG Val			0	0	-	0
Paris-Charles de Gaulle - West access and secondary network	5	6	2	6	5	24
Relocation of taxi operating base	0	7	2	-	-	9
Paris-Orly - Projects linked to the building of the future Grand Paris station	9	7	5	22	18	61
Other miscellaneous projects	6	3	30	17	9	66
<b>Connecting platform competitiveness and other processes</b>	<b>105</b>	<b>98</b>	<b>140</b>	<b>165</b>	<b>138</b>	<b>646</b>
Terminals	15	10	13	21	12	71
Paris-Charles de Gaulle - Aeronautical aprons and taxiways	4	6	18	37	60	125
Operational reliability	19	24	31	34	25	133
Luggage sorters	55	46	60	48	29	237
Improving flows	3	2	7	9	0	21
IT projects	9	11	11	16	12	59
<b>Service quality and sustainable development</b>	<b>28</b>	<b>37</b>	<b>60</b>	<b>56</b>	<b>57</b>	<b>237</b>
<b>Aeronautical real estate development</b>	<b>17</b>	<b>12</b>	<b>2</b>	<b>23</b>	<b>4</b>	<b>58</b>
<b>Functional departments</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>6</b>
<b>Provisions for study expenses for ERA 2021-2025 operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>4</b>	<b>17</b>
<b>GRAND TOTAL</b>	<b>538</b>	<b>545</b>	<b>628</b>	<b>790</b>	<b>604</b>	<b>3,104</b>

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## Projected 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 €1,735 million (in 2018 euros from 2018 forward).

It includes in particular:

- ◆ a renovation project for terminal 2B and a link between this terminal and terminal 2D, 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);
- ◆ 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,
  - ◆ 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 €1,116 million (in 2018 euros from 2018 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 2018 euros from 2018 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 €160 million (in 2018 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 €694 million in retail operations (in 2018 euros from 2017 forward) between 2016 and 2020 notably on the following projects:

- ◆ the redesign of the international area of the Paris-Orly South and Paris-Charles de Gaulle terminal;
- ◆ phases two, three and four 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 €337 million (in 2018 euros from 2018 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 €563 million (in 2018 euros as from 2018) 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 €92 million in 2018, including:

- ◆ investments by the company HAVAS linked to Istanbul third airport;
- ◆ the purchase of the new TAV Airports headquarter;



- ◆ investments by the company BTA for the international new contracts;
- ◆ investments for other Turkish airports.

In 2019, the group expects to invest between €70 millions of euros to €80 millions of euros.

## Contractual commitments for fixed asset acquisition

Contractual obligations for fixed asset acquisitions totalled €914 million on 31 December 2018:

- ◆ €353 millions of euros for capacity investments;
- ◆ €246 million for renovation and quality investments;
- ◆ €135 million for security investments;
- ◆ €132 million for restructuring investments;
- ◆ €34 million for investments for design and technical monitoring costs;
- ◆ €15 million for investments related to real estate developments.

## Investment programme proposed as part of the negotiations on the 2021-2025 Economic Regulation Agreement

As part of the preparation for the 2021-2025 Economic Regulation Agreement (ERA), Aéroports de Paris published a proposal for the 2021-2025 investment plan for the regulated scope amounting to €5,985 million (in 2019 euros) in the public consultation document. This plan is organised around four priorities.

### 1. Emphasis on effective maintenance practices for the older parts of airport infrastructures

In addition to the investments required due to regulatory changes, especially in terms of rainwater management and public safety, Aéroports de Paris will continue to invest heavily to maintain its buildings. The implementation of the 2021-2025 ERA will contain the deterioration of the infrastructures and result in a more homogenous overall condition of infrastructures at Paris-Orly and Paris-Charles de Gaulle.

### 2. Continuous efforts to support the growth in traffic

Due to the ongoing growth in traffic, short-, medium- and long-term master plans must be implemented in order to:

- ◆ **optimise the capacities of existing structures.** At Paris-Charles de Gaulle, the 2021-2025 ERA calls for the densification of the "hub" through the optimisation of terminals 2E and 2F, modernisation and extension of terminal 2A, upgrading the baggage sorter in terminal 2C and renovation of terminal 2D, continuing to join terminal 1's international satellites and the densification of terminal 3. At Paris-Orly, the projects will include the creation of aircraft stands in the Québec areas, the junction between Halls 1 and 2, added capacity at Orly 4 and the reconfiguration of airside capacities on the west side of the airport;
- ◆ **start construction of terminal 4,** a source of long-term capacity, by launching preparatory work: site preparation, starting construction of the building, civil engineering works for passenger trains in airside areas, construction of northern aircraft access areas.

### 3. Guaranteeing accessibility and efficient traffic flow

Aéroports de Paris has made improving traffic flow one of the main objectives of the 2021-2025 ERA, in the following two ways:

- ◆ **increasing capacity for road access:** at Paris-Charles de Gaulle, by increasing capacity for road access to the west, east and around terminal 2, making PR a multi-storey car park; at Paris-Orly, building a drop-off esplanade to reduce congestion on access roads;
- ◆ **improving passenger traffic flow using digital technology and biometrics within terminals:** digitising the passenger journey through biometrics and facial recognition, automated check-in and boarding, passenger apps dedicated to helping them find their way through the airport, real-time passenger flow management, etc.

### 4. Working to promote more sustainable development

Aéroports de Paris has set an objective to achieve carbon neutrality in 2030. Groupe ADP as a whole has positioned itself as a services integrator allowing its partners to contribute to achieving this objective through the availability of electric vehicle recharging terminals, the introduction of meters, the use of geothermal energy, etc.

Other investments contribute to improving the quality of service, the reliability of airport processes, especially baggage handling equipment, and developing airport real estate and information systems.

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The breakdown by nature of the investment programme for the regulated scope proposed over the 2021-2025 ERA period is presented in the table below:

<i>(in millions of 2018 euros)</i>	2021e	2022e	2023	2024e	2025e	Total
<b>Asset maintenance</b>	<b>227</b>	<b>292</b>	<b>311</b>	<b>291</b>	<b>305</b>	<b>1,279</b>
Maintenance – Paris-Charles de Gaulle investments	103	118	133	148	162	665
Maintenance – Paris-Orly investments	95	95	95	95	95	477
Maintenance – Computer networks and systems	17	17	17	19	18	88
Maintenance – Paris-Le Bourget investments	8	7	6	3	8	33
Maintenance – Airport real estate investments	3	3	3	3	3	17
<b>Compliance with regulations</b>	<b>74</b>	<b>51</b>	<b>56</b>	<b>23</b>	<b>17</b>	<b>220</b>
Regulatory upgrade – Paris-Charles de Gaulle investments	49	40	30	8	8	135
Regulatory upgrade – Paris-Orly investments	18	8	12	12	7	57
Regulatory upgrade – Paris-Le Bourget investments	7	3	13	3	2	28
<b>Terminal 4</b>	<b>80</b>	<b>246</b>	<b>342</b>	<b>433</b>	<b>553</b>	<b>1,654</b>
Construction of buildings (processor and North-East pier)	0	57	137	170	239	603
Engineering works for passenger rail transportation	19	66	71	119	156	431
Site preparation and construction of aircraft stands and taxiways	40	109	98	88	84	419
Energy (including geothermal) and water networks	21	0	21	37	31	110
Baggage sorting system	0	14	16	19	43	92
<b>Development of capacity at Paris-Charles de Gaulle</b>	<b>153</b>	<b>176</b>	<b>128</b>	<b>137</b>	<b>111</b>	<b>704</b>
T2EF – Hub densification	51	57	48	34	31	221
T2A – Creation of a boarding lounge and remote areas	22	24	27	23	12	109
T1 – Joining satellites 1-7 and reconfiguration of central body	19	12	15	23	14	84
T2D – Restructuring	2	2	2	34	41	80
North East taxiway perimeter	20	55	0	0	0	75
Operational base (APOC)	11	12	19	10	0	51
Other Paris-Charles de Gaulle capacity projects	13	6	6	6	9	40
Taxiway and remote area capacities	12	5	6	4	4	31
T3 – Densification	3	3	5	2	0	13
<b>Development of capacity at Paris-Orly</b>	<b>103</b>	<b>99</b>	<b>144</b>	<b>96</b>	<b>23</b>	<b>464</b>
Infrastructure restructuring on the runway West of Paris-Orly	28	31	48	25	0	132
Creation of a Quebec Lounge	20	21	33	17	0	91
Link between Halls 1 and 2	13	12	15	27	15	82
Orly 4 Project	13	18	28	14	0	73
Other Paris-Orly capacity projects	23	10	8	7	7	56
Creation of de-icing areas	6	7	11	6	0	30
<b>Development of capacity at Paris-Le Bourget</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>23</b>
Le Bourget capacities	5	5	5	5	5	23
<b>Improving access</b>	<b>129</b>	<b>226</b>	<b>176</b>	<b>218</b>	<b>175</b>	<b>925</b>
Terminal 4 car parks and accesses	5	76	85	113	104	383
Road access from the East side of Paris-Charles de Gaulle	32	28	9	56	37	162

<i>(in millions of 2018 euros)</i>	2021e	2022e	2023	2024e	2025e	Total
Moving the "Park and Ride" (PR) car park to an upper level PR parking at Paris-Charles de Gaulle	27	46	18	0	0	91
Road access from the West side of Paris-Charles de Gaulle	12	19	31	15	9	87
Construction of a drop-off point at Paris-Orly	11	9	12	20	12	64
Creation of a station for line 14 to Paris-Orly	28	9	1	0	0	37
CDGVAL - purchase of two trains and new technology	0	24	2	0	2	28
Other access projects	5	5	3	4	9	26
Improved access to T2ABCD at Paris-Charles de Gaulle	4	5	7	4	0	20
Improved access to T2ABCD at Paris-Charles de Gaulle	3	4	6	3	0	16
Construction of a road interchange to the North of Paris-Orly	2	2	2	2	2	11
<b>Smart Airport</b>	<b>32</b>	<b>41</b>	<b>41</b>	<b>36</b>	<b>31</b>	<b>181</b>
Seamless travel equipment	14	23	23	19	14	94
Other Smart Airport projects	7	7	7	7	7	34
Airport operational steering tools	4	4	4	5	5	23
Deployment of guidance lights and timers	4	4	4	4	4	20
Self-driving vehicle projects	2	2	2	2	2	10
<b>Service quality and sustainable development</b>	<b>50</b>	<b>53</b>	<b>69</b>	<b>50</b>	<b>29</b>	<b>250</b>
Quality of service and sustainable development	14	15	17	15	14	75
Other service quality projects	23	15	10	11	9	67
Improvement of the general atmosphere and passenger services:	4	8	26	11	0	49
Toilet blocks	5	11	11	9	3	40
Improvement of connecting traffic	4	5	5	4	2	19
<b>Airport real estate</b>	<b>70</b>	<b>42</b>	<b>18</b>	<b>11</b>	<b>6</b>	<b>146</b>
Station Cargo Duo	21	25	0	2	0	47
Other Cargo projects	12	8	12	2	2	36
Other aeronautical real estate projects	4	4	4	4	4	20
Dhalia Cargo Station	19	0	0	0	0	19
Rehabilitation of the hangars	5	4	2	4	0	15
Midi Cargo Station	10	1	0	0	0	10
<b>Other investments</b>	<b>29</b>	<b>24</b>	<b>20</b>	<b>32</b>	<b>34</b>	<b>139</b>
IT systems	13	13	13	13	13	63
Studies for 2026-2030 ERA	0	0	0	14	17	30
Cross-cutting functions	5	5	5	4	3	23
Other current investments	11	5	0	0	0	16
Innovation	2	2	2	2	2	8
<b>PROGRAMME TOTAL</b>	<b>949</b>	<b>1,203</b>	<b>1,254</b>	<b>1,309</b>	<b>1,271</b>	<b>5,985</b>



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## BUSINESS OVERVIEW

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### 6.1 PRESENTATION OF THE ACTIVITY

#### Business Model

Involved in 13 countries, Groupe ADP is major connection point for the international aviation transport. Its geographical locations, its leading infrastructures, its competitiveness and its solid business model make the Groupe benefit from the world economic growth expected at medium and long term, especially in emerging markets countries.

Groupe ADP carries out the principal businesses in the airport value chain – financing, designing and operating infrastructure – for a network

of 25 airports receiving almost 281 million passengers<sup>1</sup> in 13 countries (in Europe, Asia, Africa and South America). It is among the largest airport groups worldwide thanks, in particular, to its strategic partnership initiated in 2012 with TAV Airports.

Groupe ADP conducts its business in a competitive environment in which both major hub airports and large regional airports operate.

<sup>1</sup> Total traffic is calculated using the following method: traffic at the airports that are fully integrated is recognized at 100%, while the traffic from the other airports is accounted for pro rata to Groupe ADP's percentage holding. Traffic in TAV Airports' airports is taken into account at 100% in accordance with TAV Airports' financial communication practices.

As an airport operator, its role is to optimise the handling of intersecting flows of aircraft, passengers, baggage, cargo activity and aircraft supplies. It offers passengers, airlines, cargo and postal operators and companies operating at the airports, the appropriate infrastructure and facilities according to their needs.

Groupe ADP is attentive to its societal responsibility and is the interface with all of its stakeholders: passengers, airlines, tenants of the facilities, French government departments, suppliers, employees, shareholders, investors, local elected officials, regions where it operates, etc.

## General description

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)	2018			2017		
	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	1,890	603	307	1,813	551	272
Retail and services	1,000	580	458	953	533	404
Real estate	265	148	101	250	209	161
International and airport developments	1,412	585	339	682	252	186
Other activities	155	47	33	217	25	9
Inter-sector eliminations	(245)	(1)	(1)	(298)	(2)	(2)
<b>TOTAL</b>	<b>4,478</b>	<b>1,961</b>	<b>1,237</b>	<b>3,617</b>	<b>1,567</b>	<b>1,030</b>

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## The group's strengths

Groupe ADP's expertise as an airport manager spans a network of 25 airports at 31 December 2018:

- the three main airports in the Paris region (Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget), owned and operated by Groupe ADP, which constitute the "gateway" to France; it should be noted however that the Group also owns and operates ten general aviation airfields in the Paris region and the Issy-les-Moulineaux heliport, owned by the City of Paris;
- the 14 airports<sup>1</sup> (including Antalya acquired in 2018) managed directly by TAV Airports Group, owned at 46.12% by Groupe ADP;
- the eight airports spread over Europe, the Middle East, Africa, the Indian Ocean and South America, in which ADP International, a wholly-owned subsidiary of Aéroports de Paris, has equity investments.

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 (87 millions of tourists in 2017<sup>2</sup> 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 (76% of total traffic in 2018) 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.

<sup>1</sup> Including Zagreb airport whose concessionary company is owned at 15% by TAV Airports and 20.8% by Groupe ADP, via its wholly-owned subsidiary, ADP International.

<sup>2</sup> 2017 data - Published by the Ministry of Tourism (19/07/2018).

## A POWERFUL HUB

According to the ACI Europe "Airport Industry Connectivity 2018" 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 3<sup>rd</sup> European hub for global connectivity (number of cities covered), behind Frankfurt and Amsterdam.

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 with the appointment of a group that includes Keolis (Groupe SNF) and RATP Dev as future operators and the signing of the concession contract on the 11 February 2019 made it possible to confirm that the direct rail linking Paris-Charles de Gaulle airport to Paris/Gare de l'Est would be possibly opened in 2024.

Finally, the location of major freight players such as Air France-KLM, La Poste and FedEx (contract 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 controlled 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 Region<sup>1</sup>.

The PACTE bill relating to business growth and transformation, definitively adopted by the Parliament on 11 April this year contains provisions relating to Aéroports de Paris, and authorises the transfer of most of the Aéroports de Paris capital to the private sector. This bill provides that the right of operation shall be limited to a period of 70 years, as of the transfer of the majority of Aéroports de Paris capital to the private sector. Nevertheless, Aéroports de Paris shall retain ownership of the aforementioned land and facilities throughout the entire operating period (see the section in Chapter 9 entitled "PACTE draft bill containing provisions related to Groupe ADP").

The PACTE bill helps bolster the company's current model, ensures the sustainability of the regulatory system based on the adjusted till model, and confirms the uniqueness of the Paris region airport system (Paris CDG, Paris Orly, Paris-le Bourget).

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 current ERA, 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 return on capital invested<sup>2</sup> and enables the gradual improvement in the profitability of the regulated scope until the target for convergence with the level of capital invested is reached in 2020. As a balance, these tariffs evolutions are associated with the implementation of an ambitious investment programme (around €3.0 billion for 2016-2020) and quality of service and productivity commitments.

On 2 April 2019, for the next Economic Regulation Agreement, Aéroports de Paris published the public consultation document presenting a detailed proposal for the Economic Regulation Agreement (ERA) for the 2021-2025 period (see Section 5.4 entitled "Investment programme proposed as part of the negotiations on the 2021-2025 Economic Regulation Agreement").

## Non-regulated activities with high potential

### RETAIL ACTIVITIES

Groupe ADP has around 58,000 sq.m space of commercial landside and airside<sup>3</sup>, 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 355 hectares of land reserves earmarked for future property developments, giving it a truly dynamic policy<sup>4</sup>.

## International and airport development

Since 2017, ADP International, a wholly-owned subsidiary of Groupe ADP, has been responsible for managing Groupe ADP's international activities (investments, airport operations and engineering and innovation). This structure allows Groupe ADP to make the most of new growth opportunities and optimise the management of its portfolio of international stakes<sup>5</sup>.

Through ADP International, Groupe ADP has investments in eight airports spread over Europe, the Middle East, Africa, Africa, the Indian Ocean and South America.

In April 2018, Groupe ADP acquired exclusive control of AIG (Airport International Group), the concessionary of Queen Alia International Airport (QAIA) in Amman, Jordan, by increasing ADP International's equity interest in AIG's share capital by 9.5% to 51%. AIG, formerly accounted for by the equity method, has been fully consolidated in Groupe ADP's financial statements under the "International and airport developments" segment since April 2018.

<sup>1</sup> 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.

<sup>2</sup> See also the paragraph in Chapter 6 "Fees".

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

<sup>4</sup> Please also refer to the paragraph in Chapter 6 on "Real estate".

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



As at 31 December 2018, TAV Airports, in which Groupe ADP owns 46.12%, directly managed 14 airports worldwide, mainly in Turkey, Europe and the Middle East. In 2018, TAV Airports's scope was expanded with the acquisition of a 49% interest in the share capital of ICF, which holds the concession to operate Antalya airport, the second largest airport in Turkey in terms of international traffic.

On 6 April 2019, commercial flights at Atatürk Airport, managed by TAV Airports, were transferred to the new Istanbul airport. TAV was officially informed by the Turkish Civil Aviation Authority (DHMI) that it would be compensated for the early termination of this concession, which had in theory been due to expire on 2 January 2021. Discussions on this subject have been initiated with the DHMI.

Lastly, in 2018, ADP Ingénierie, a wholly-owned subsidiary of ADP International, acquired Merchant Aviation, a consulting firm based in the USA.

ADP International benefits from the support of a strong local network, thanks to the installation of three regional offices in 2018: in Istanbul for the Africa and Middle East Region, in New York for the Americas Region and in Hong Kong for the Asian Region.

## Strategy

### The CONNECT 2020 strategic plan

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. However, it should be noted that the financial difficulties encountered by low-cost companies in 2018 have slowed down this change.

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.

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 billion 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. Thus, in July 2018, the extension to Hall 1 of the West Terminal at Paris-Orly airport was inaugurated, offering 6,000 m<sup>2</sup> in additional surface area and taking Hall 1's capacity from 4.8 to 5.5 million passengers per year. The renovation work for runway 3 was also launched in 2018 at this airport.

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 and to compensate the fragmentation and disparity of installations by deploying an initiative to merge terminals. For this, work on the junction between the international Terminal 1 satellites and the Terminal 2B/2D junction continued at Paris-CDG airport in 2018. At Paris-Orly airport, part of the boarding lounge in the junction building was commissioned early from April to October 2018, over a surface area of 3,500 m<sup>2</sup>.

In view of the opening of the Paris-Orly junction in Spring 2019, the names of the nearby car parks were changed at the end of 2018.

Lastly, the studies on the future Terminal 4 at Paris-Charles de Gaulle continued throughout 2018 and meetings with local residents took place from October to December, to prepare the prior consultations that will take place from 12 February to 12 May 2019.

#### 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.).

After the creation in 2017 of the Airport Operations Department, which brings together operational and technical expertise to the service of

airport platform departments, the implementation of the ORLY2020 transformation project began in 2018 with the launch of a new functional organisation in February. The new operational organisation became effective in January 2019 with the creation of an APOC (AirPort Operations Centre), as a single command centre.

In parallel, the gradual implementation of the CDG2020 project, for Paris-Charles de Gaulle, and LBG2020 project, for Paris-Le Bourget, continued. These transformation projects aim to boost operating efficiency, the consistency of operating procedures and the transversality of processes.

2018 also saw the creation of the Services, Logistics and Purchasing Department with the merger of the Purchasing Department, the Services to the work environment department which centralises the services offering available to employees and the Logistics Department which manages the entire logistics chain.

Lastly, the Ethics Department, reporting to the Chairman and CEO and the Citizen Commitment Department, reporting to the Group Secretary General, were created at the end of 2018.

These ongoing organisational and cost control changes will contribute to achieving the objective of a 10%-15% reduction in operating costs per passenger for the regulated scope between 2015 and 2020 (initial target of -8% revised in February 2019).

#### 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% while guaranteeing robust, high-quality service. This objective has been revised in February 2019 (ROCE 2020 target between 5.6% and 5.8%, see Chapter 9.3).

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.

In view of this, in 2018, the Group notably acquired the entire Dôme, a group of eight office buildings in Roissypole, at Paris-Charles de Gaulle airport.

#### 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.

In 2018, customer satisfaction weathered the challenging environment well: it showed an improvement compared to 2017, despite the difficulties of waiting times at police controls as part of the tightened security measures, the construction works projects in the operating terminals and

strikes that affected airport access. In response, the deployment of the new automated PARAFE border control gates, with digital fingerprint and facial recognition, was accelerated, and the waiting conditions for passengers at police and security controls were improved (layout of spaces, lighting, climate control). Moreover, a support program for the airports' transformation was implemented: creation of a dedicated "ParisAéroportChange.Fr" site, "Paris Fashion Chantier" designer cladding of work partitions, staff reinforcements.

Amongst the major improvements in 2018, we can note the roll out in June 2018 of the *Bienvenue à Paris* (Welcome to Paris) hospitality project, which has reworked the welcome extended to passengers throughout their journey through the terminal. The first results of the Paris-Orly transformation have been seen (early commissioning of the junction building and extension to Hall 1).

In the Skytrax ranking, Paris-Charles de Gaulle is in 37<sup>th</sup> place/100; it figures in the TOP 10 best airports of the world for Shopping and the best terminals with Hall M. Paris-Orly enters the rankings for the first time (present in the TOP 10 best airports welcoming between 30 and 40 million passengers).

Groupe ADP's challenge today is to improve its competitive position, both in the Skytrax ranking and the ASQ/ACI survey.

#### 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". As components of mediation in the customer relationship, new work uniforms created by the designer Jean-Charles de Castelbajac were presented to employees, notably during the exhibition organised in the registered office entry hall, at Paris-Charles de Gaulle airport.

#### 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.

With its *Paris vous aime* (Paris loves you) signature, the Paris Aéroport brand launched in 2016 directly targets passenger-customers in the Paris airports and expresses the commitment to welcome them with the highest standards of hospitality.

With its "Groupe ADP, sharing new horizons" signature launched at the end of 2018, the new Groupe ADP corporate brand platform targets all the other audiences, including primarily employees, but also airlines, regions, and all other partners with which the Group cooperates within its ecosystem. The Group aims to consolidate its leadership role in the industry and assume its development ambitions in France and abroad.





## 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.

With this aim, the CDM@CDG (CDM - Collaborative Decision Making) action plan was implemented in 2018 at Paris-Charles de Gaulle airport to guarantee the punctuality of regulated flights, i.e. flights subject to air regulation constraints. Along with the Air Navigation services, the aim is to carry out adjustments to operating procedures used by air traffic controllers during the start-up, taxiing and take-off phases for regulated aircraft. It also aims to improve Local Departure Management (GLD) in order to allow for improved predictability and more precise monitoring of regulated flights, from block-off to take-off.

Operating performance is also improved by the ability to innovate towards new solutions to the challenges posed by the change in air transport and airport businesses. For this reason, in 2018 Groupe ADP invested, via ADP Invest, in Innov'ATM which has developed software to optimise air traffic around airport infrastructure, in flight and on the ground, using artificial intelligence algorithms.

### 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.

At the end of 2018, the future operator of CDG Express, an essential project for the attractiveness of Paris-Charles de Gaulle airport and the image of Paris, was designated; it will be the consortium comprising Keolis (SNCF Group) and RATP Dev. The public inquiry on environmental authorisation took place from 22 October to 20 November 2018. The concession contract between the French State and the project company bringing together SNCF Réseau, Groupe ADP and the *Caisse des dépôts et consignations* was signed in February 2019. The project company is responsible for the financing, design, construction and maintenance of the CDG Express' infrastructure. 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.

The Group is strengthening its actions in the fight against climate change, and aims to improve its energy efficiency by 7% between 2015 and 2020.

It also announced its ambition to reduce CO2 emissions by 65% at the three Paris airports between 2009 and 2020. As part of this approach, from 2012 the Company has committed to the ISO 50 001 certification of its Energy Management System (SMÉ). In June 2018, AFNOR (*Agence française de normalisation*) renewed the Company's certification obtained in 2015 for three years.

Also, in 2018, 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.

Lastly, Paris-Charles de Gaulle and Paris-Orly airports maintained their ISO 14001 certification in 2018; Paris-Le Bourget airport, Toussus-Le-Noble general aviation airfield and Issy-les-Moulineaux heliport had their certification renewed.

### CONQUER NEW MARKETS

Groupe ADP is rolling out its international development strategy as part of its ambition to be a world leader in airport design and operation. The Group extended its scope in 2018 with the exclusive control, via ADP International, of Airport International Group (AIG), the concessionary of Queen Alia International Airport in Amman, Jordan, by increasing its equity interest by 9.5% to 51%. TAV Airports acquired a 49% stake in ICF, which has the concession to operate Antalya airport, in Turkey. Lastly, ADP International acquired the consulting firm, Merchant Aviation, based in the USA.

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. 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 ADP 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 (assumption revised between 2.8% et 3.2%):

- ◆ 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 2020<sup>e</sup> (target revised between 5.6%-5.8%);
- ◆ quality of service: attainment of an overall ACI/ASQ score of 4 (Adjustment: rating of 4 on a full-year basis after delivery of the infrastructure projects);
- ◆ retail: expected sales of airside shops per departing passenger of €23 on a full year basis after delivery of the infrastructure projects planned for 2016-2020<sup>e</sup>;
- ◆ real estate: growth in external rent (excluding re-invoicing and indexing) from real estate activities of 10 to 15% between 2014 and 2020<sup>e</sup>;
- ◆ 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 2020<sup>e</sup>;
- ◆ profitability: growth in consolidated EBITDA of between 30 and 40% from 2014 to 2020<sup>e</sup>, thanks to the combination of the above items and excluding of the full consolidation effects of TAV and AIG).

Regarding the the extra-financial objectives, Groupe ADP has set the following targets for the 2020 horizon:

- ◇ extra-financial rating: group rating assumption (ADP S.A. and its 100% owned subsidiaries) of 83/100 (objective exceeded in 2018 with a rating of 86/100);
- ◇ energy final consumption: satisfied up to 15% of the newable energy sources;
- ◇ car parks (light vehicles): composed of 25% clean vehicles.

The modification of these objectives compared to the ones announced on the 15<sup>th</sup> October 2015 are also presented on Chapter 9.3.

At the Investors' Day on 5 April 2019, the Group communicated a certain number of forecasts by 2025, which do not constitute targets but translate a medium-term vision that supplements the targets in the Connect 2020 plan, which are unchanged since their latest update on 14 February 2019. This vision of each of the Group's business lines (regulated Parisian aviation activities, retail activities and real estate activities in Paris, and international activities) is described in each of the corresponding sections

of this document. At overall Group level, the forecasts would lead to expectations of:

- ◇ cumulative Group traffic of around 400-450 million passengers in 2025 (compared to 281 million today), which could represent a global market share of around 7.5% to 8.5% (compared to around 6.5% in 2018);
- ◇ a number of airports operated by the Group in 2025 of between 30 and 40 airports (compared to 25 airports at end 2018);
- ◇ an increase in Group revenue and EBITDA between 2018 and 2025 of around 40% to 50% with an EBITDA margin on revenue of between 40% and 45% in 2025;
- ◇ an increase in Group operating income from ordinary activities between 2018 and 2025 of around 50% to 60% with an operating income from ordinary activities to revenue margin of around 30% in 2025.

All these estimates correspond to trends and preliminary insights based notably on Groupe ADP's proposal for the 2025 Economic Regulation Agreement, which is liable to change up to the contract's signature.

## 6.2 OVERVIEW OF THE MARKET

### Airport operations

#### Group 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 Oneworld<sup>1</sup>) 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.

<sup>1</sup> The members of the SkyTeam alliance in Paris are Aeroflot, AeroMexico, Air Europa, Air France, Alitalia, China Eastern, China Southern, Czech Airlines, Delta, Kenya Airways, KLM, Korean Air, MEA, Saudia, Tarom and Vietnam Airlines. The 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.

To achieve this goal, airlines expect the airport operator to simplify the ground handling process, reduce aircraft turnaround times and provide products and services tailored to their type of customer.

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

## Cargo and mail business

There are several types of players in cargo and mail:

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

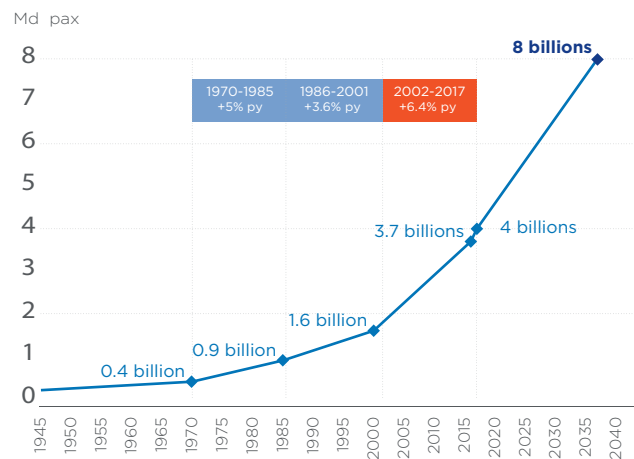
government delegates implementation of certain Aéroports de Paris security services: passenger, luggage, staff and merchandise security checks;

- ◆ 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 growth<sup>1</sup>

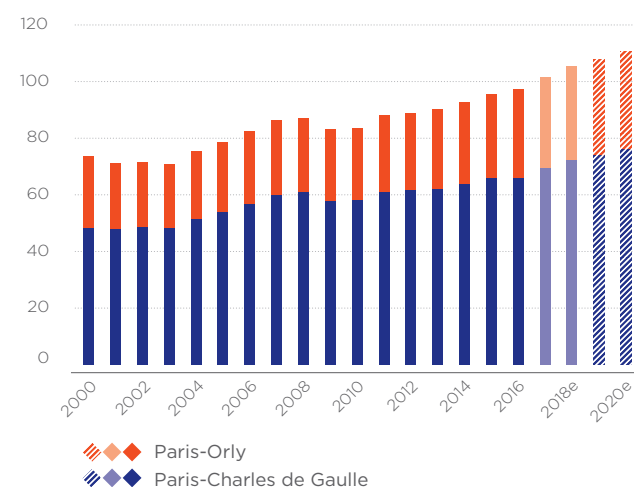
(in billions of passengers)



06

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

(in millions of passengers)

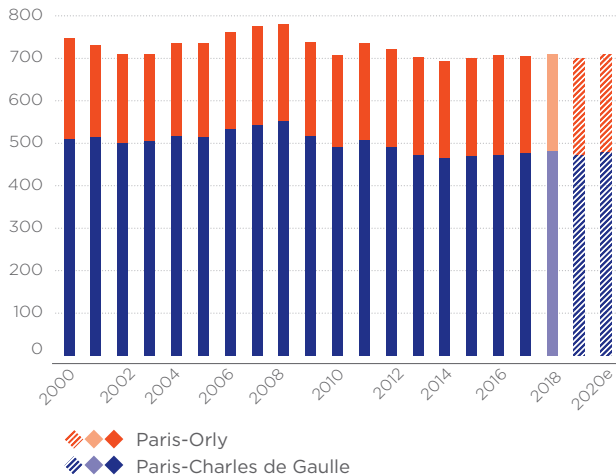


<sup>1</sup> Sources: Groupe ADP/OACI 2018/IATA Air Passenger Forecasts 2017-2037.

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

## Changes in aircraft movements at Paris Aéroport<sup>1</sup>

(in thousands of movements)



## Change in traffic at Paris Aéroport<sup>1</sup> in 2018

In 2018, traffic increased by 3.8% compared to 2017, reaching 105.4 million passengers: it increased by 4.0% at Paris-Charles de Gaulle (72.2 million passengers) and 3.4% at Paris-Orly (33.1 million passengers).

Traffic grew by 3.0% in the 1<sup>st</sup> half of 2018 and by 4.5% in the 2<sup>nd</sup> half.

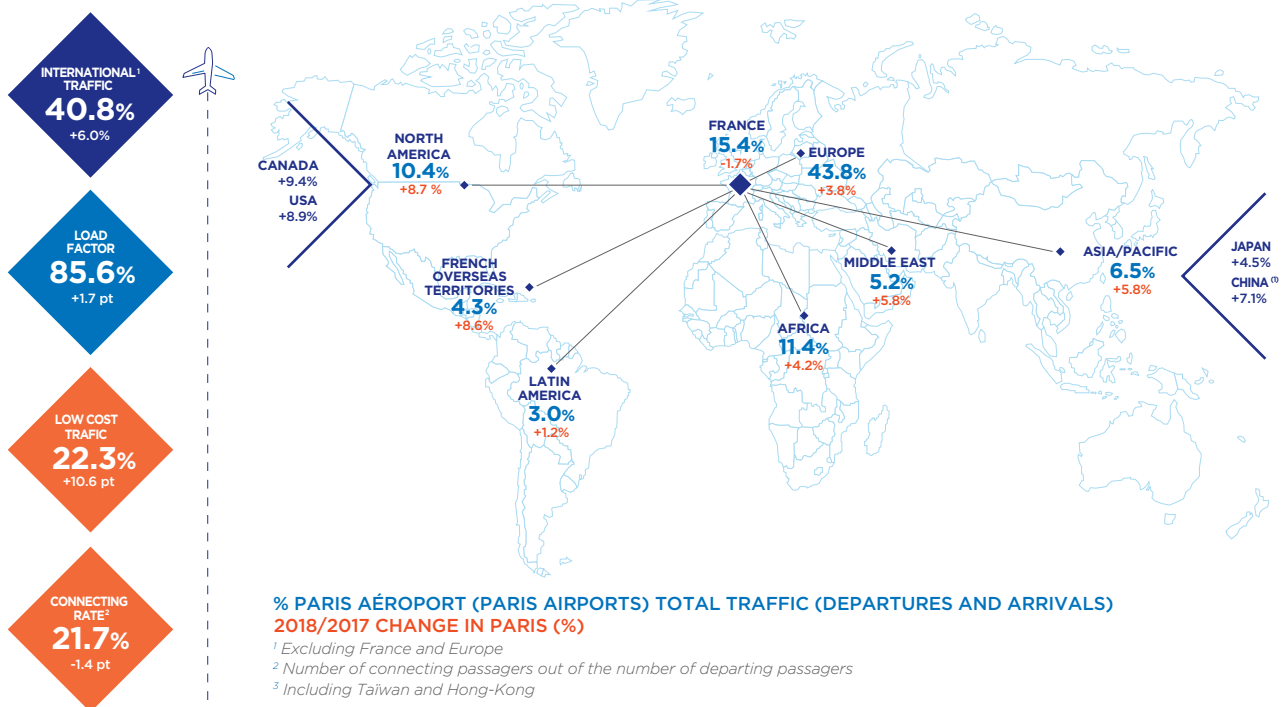
The number of connecting passengers fell by 2.5% and the connection rate amounted to 21.7%, down 1.4 points.

Air traffic movements were down by 0.8% to 709,997 movements at Paris-Orly and Paris-Charles de Gaulle. At Paris-Le Bourget, they increased by 3.6% to 60,325.

Low-cost airline traffic (22.3% of total traffic) was up by 10.6%.

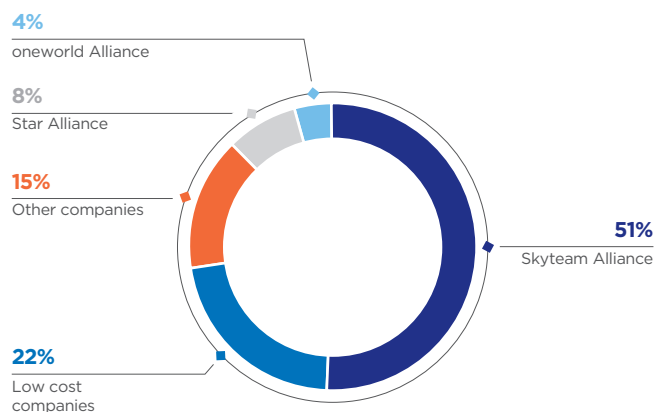
Freight and postal activity increased by 1.9%, with 2,251,729 tonnes transported.

## Breakdown of Paris Aéroport's passenger traffic by destination in 2018<sup>2</sup>



<sup>1</sup> Paris-Charles de Gaulle and Paris-Orly. Source: ADP.

## Paris Aéroport's passenger traffic in 2018 by type of airline



The main airlines that operate from Paris-Charles de Gaulle and Paris-Orly are Air France<sup>2</sup> (44.5% of overall traffic), easyJet<sup>3</sup> (8.1%), Transavia.com (5.3%), Vueling (4.0%) and Delta Airlines (1.7%).

## 2018 Groupe ADP traffic by airport<sup>1</sup> (Excluding France and Europe)

Group traffic (in million of passengers)	Groupe ADP stake <sup>1</sup>	Stake- weighted traffic (M Pax) <sup>2</sup>	2018/2017 change <sup>3</sup>
<b>Groupe ADP</b>			
Paris Aéroport (CDG+ORY)	@ 100%	105.3	+3.8%
Zagreb	@ 20.8%	0.7	+7.9%
Jeddah-Hajj	@ 5%	0.4	-8.8%
Amman	@ 100%	8.4	+6.4%
Mauritius	@ 10%	0.4	+3.5%
Conakry	@ 29%	0.2	+7.9%
Santiago de Chile	@ 45%	10.5	+8.8%
Madagascar	@ 35%	0.4	+13.8%
Istanbul Atatürk	@ 46.1%	68.0 (@ 100%)	+6.0%
Antalya	@ 46.1%	31.6 (@ 100%)	+22.0%
<b>TAV Airports Group</b>			
Ankara Esenboga	@ 46.1%	16.7 (@ 100%)	+5.8%
Izmir	@ 46.1%	13.4 (@ 100%)	+4.7%
Other airports <sup>4</sup>	@ 46.1%	26.1 (@ 100%)	+15.6%
<b>TOTAL GROUP<sup>4</sup></b>		<b>281.4</b>	<b>+7.6%</b>

<sup>1</sup> Direct or indirect.

<sup>2</sup> Total traffic is calculated using the following method: traffic at the airports that are fully integrated is recognized at 100%, while the traffic from the other airports is accounted for pro rata to Groupe ADP's percentage holding. Traffic in TAV Airports' airports is taken into account at 100% in accordance with TAV Airports' financial communication practices.

<sup>3</sup> Change in 2018 traffic as compared to 2017. For TAV Airports, change in traffic in 2018 vs. 2017 is calculated on a comparable basis (as if TAV Airports was fully consolidated in H1 2017) and includes traffic on Antalya Airports, in which TAV Airports took a stake in May 2018.

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

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

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

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

<sup>4</sup> Groupe ADP total traffic (at 100%) stands at 281 million passengers, up by 7.6% in 2018 compared to 2017.

## 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 2018, Paris Aéroport estimates that it handled 2.25 million tonnes of cargo (-1.9% compared with 2017) at the Paris-Charles de Gaulle (2.16 million tonnes, up 1.8%) and Paris-Orly (0.095 million tonnes, down 4.8%) airports.

In 2018, for the first time since 2011, a decrease in the proportion of cargo tonnage embarked in passenger aircraft holds was observed, along with an increase in that using the holds of all-cargo flights. 56% of cargo transited by "passenger" aircraft (compared to 60% in 2017) and 44% by all-cargo aircraft (compared to 40% in 2017).

The explanation is no doubt the combination of three factors:

- ◆ a +2.3% increase in all-cargo movements and therefore the related hold capacities (compared to stability over the previous years);
- ◆ a 2% increase in passenger luggage on wide-bodied aircraft, reducing the residual hold capacities for Cargo transport;
- ◆ an overall -1.8% decrease in cargo tonnage.

Despite this, in 2018, the volume of cargo transported on passenger flights considerably exceeds that transported on all-cargo flights. At this stage, therefore, the strategy of the major cargo transporters, consisting of taking advantage of the significant hold capacities in passenger aircraft in order to optimise the revenue/cost mix, is not called into question. This strategy of using "passenger" holds rather than all-cargo aircraft holds is also made possible by the change in aircraft and the high frequencies and connections offered by the Paris-Charles de Gaulle hub.

### 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 and the pursue of growth for the 2016-2020 horizon (estimation of +100.000m<sup>2</sup>, i.e. +15% of the cargo park) 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.

Welcoming all-cargo companies remains a strong focus of Groupe ADP's strategy, particularly as the "hold" capacities of passenger aircraft have tended to decrease due to the increase in average passenger luggage. It nonetheless remains true that transporting cargo in passenger holds will remain a significant activity in the context of increased competition between airlines, with the cargo-passenger combination becoming a decisive profitability vector for major operators.

Groupe ADP also 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.

#### 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.). In 2018, two additional partners obtained their certification, bringing the number of certified companies at Paris-Charles de Gaulle to eight.

Similarly, work has been undertaken to create labels or initiate certification of other French sectors of excellence (luxury, perishable, animal genetics, etc.) in order to develop flows around these high value-added products.



The creation of international partnerships with other major Cargo airports is one of the new focuses chosen by Groupe ADP to develop, boost and secure flows, by setting up privileged corridors for segments identified as strategic and shared by the two partners.

Two cooperation agreements were signed in 2018: the first in June with Hong Kong airport (the leading cargo airport worldwide), then in October, at the 2018 Air Cargo Forum in Toronto, with Dallas International Airport. Other partnership agreements are currently being studied and should be signed during 2019. The aim is to build a world, premium quality, end-to-end services network with the partner airports, for specific goods. This objective also requires working with other airport partners in the logistics chain, such as air transporters, customs services, etc.

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 gave the chairmanship of the ACFA to Air France in 2018, and is now the Vice-President of the association.

## Promotion of air cargo transport

Groupe ADP has made significant investments to promote cargo during major professional events, including internationally.

Groupe ADP took part in the Air Cargo Forum (ACF), organised every two years by TIACA (*The International Air Cargo Association*), the main international association for air freight professionals. This major event is the largest global gathering of sector players (airlines, airports, cargo forwarding agents, ground-handling agents, integrators, express courier companies, loaders, etc). Groupe ADP, joint host with Air France Cargo of the 2016 Paris edition, took part in the 2018 edition in October held in Toronto.

As in 2017, Groupe ADP will be present in 2019 at Air Cargo Europe during the international transport and logistics trade show which takes place every two years in Munich.

In 2018, Groupe ADP reinforced its participation and interventions in air freight professional trade shows and events to promote its platforms and their cargo expertise. In March, during the *Semaine de l'innovation Transport & Logistique* (SITL), Groupe ADP took part in an ADP/HAROPA round table on Air/Sea intermodality. In April, as part of the ACFA, it also organised the association's first digital/e-freight forum, which ended with the official launch of the association. This initiative will continue at the start of 2019 with the organisation of the first Fresh forum (for perishables).

As in 2017, in November 2018, Groupe ADP also took part in the Symposium on the International transport of healthcare products organised by the Pharma Logistics Club in Lyon.

## 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.

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

Groupe ADP is also preparing to launch, in 2019, the 1<sup>st</sup> 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.

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## Competition

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

The top ten international airports in terms of passenger traffic are<sup>1</sup>:

Rank	Airport (IATA code)	2018 traffic (in millions of passengers)	2018/2017
1	Atlanta (ATL)	107.38	+3.3%
2	Beijing (PEK)	100.98	+5.4%
3	Dubaï (DXB)	89.15	+1.1%
4	Los Angeles (LAX)	87.53	+3.5%
5	Tokyo (HND)	87.13	+4.7%
6	Chicago (ORD)	83.34	+4.8%
7	Londres (LHR)	80.13	+2.7%
8	Hong Kong (HKG)	74.56	+2.6%
9	Shanghai (PVG)	74.01	+5.7%
<b>10</b>	<b>Paris (CDG)</b>	<b>72.23</b>	<b>+4.0%</b>

<sup>1</sup> Source: ACI Europe.

## Competition with other airports

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

With the consolidation of the airline industry around a few major alliances and their main airline members, Paris Aéroport is primarily in competition with London Heathrow (80.1 million passengers in 2018), home to British Airways and the Oneworld Alliance members, and Frankfurt airport (69.5 million passengers in 2018), 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 3<sup>rd</sup> European hub for global connectivity, behind Frankfurt and Amsterdam<sup>1</sup>. 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 (89.2 million passengers in 2018), home of Emirates.

## Competition with France's regional airports

The leading French airports in terms of passenger traffic are<sup>2</sup>:

Rank	Airport	2018 traffic (in millions of passengers)	2018/2017
<b>1</b>	<b>Paris-Charles de Gaulle</b>	<b>72.2</b>	<b>+4.0%</b>
<b>2</b>	<b>Paris-Orly</b>	<b>33.1</b>	<b>+3.4%</b>
3	Nice-Côte d'Azur	13.9	+4.1%
4	Lyon-Saint-Exupéry	11.0	+7.4%
5	Marseille-Provence	9.6	+3.9%

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 22.3% 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 3.8 million passengers in 2018, an increase of 4.0%. 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 2.25 million tonnes of cargo and mail handled in 2018. Its main competitor in Europe is Frankfurt, with 2.176 million tonnes treated in 2018, compared to 2.156 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".

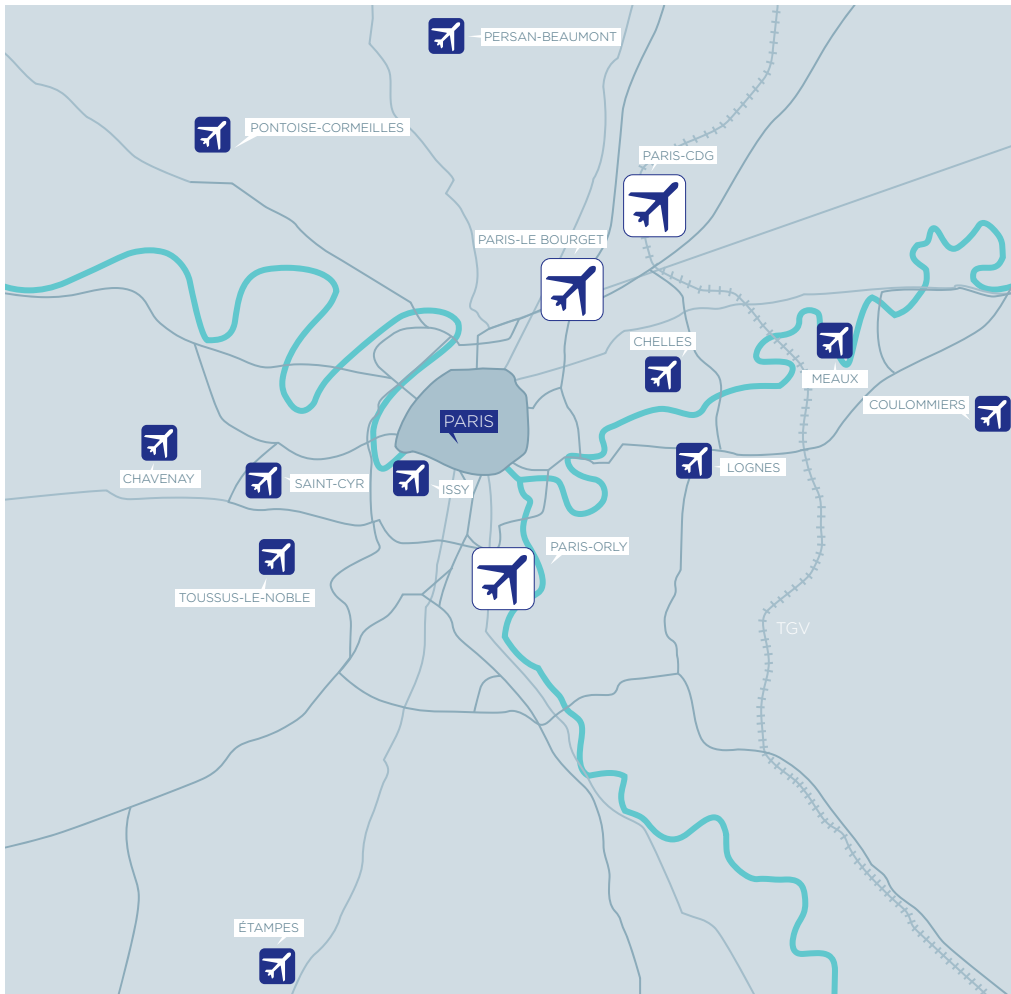
<sup>1</sup> Please refer to the paragraph "A powerful hub" in Chapter 6.

<sup>2</sup> 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.



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© Aéroports de Paris/Laboratoire.

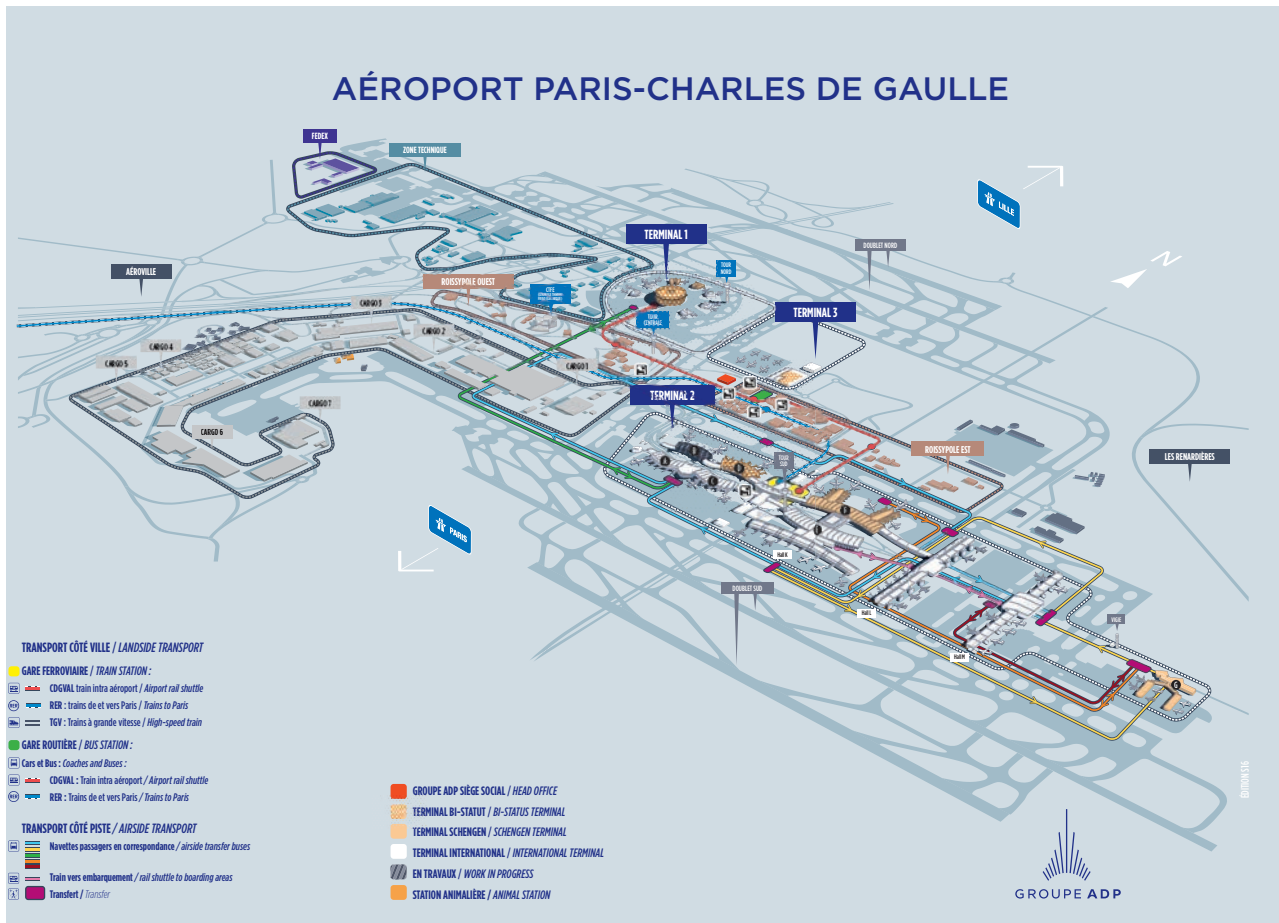
122,040<sup>1/2</sup> people work at the Paris region airports, including, 90,190 at the Paris-Charles de Gaulle, 28,360 at Paris-Orly and 3,490 at Paris-Le Bourget. It is estimated that these airports generate more than

570,860 jobs (directly or indirectly related, induced or catalytic), that is, around 7.9% of salaried jobs in the Paris region.

<sup>1</sup> Source: Utopies 2017 study Direct jobs. Data at the end of 2016.

<sup>2</sup> 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 and 6 cargo terminals. With 72.2 million passengers welcomed in 2018 (up by 4.0%), it is the 10<sup>th</sup> largest airport in the world, the 2<sup>nd</sup> in Europe and the 1<sup>st</sup> in France. Cargo and mail traffic totalled 2.2 million tonnes in 2018. Services were provided to 331 cities<sup>1</sup> worldwide from Paris-Charles de Gaulle airport in 2018.

Paris-Charles de Gaulle acts as the head office for around 700 companies and has 90,190<sup>2</sup> direct jobs.

### 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 2019 summer season. The entire runway system has been adapted to accommodate wide-bodied aircraft (Airbus A380).

The airport has 298 aircraft parking stands<sup>3</sup>, including 134 contact stands. Out of the 164 remote stands, 80 are used for cargo.

In 2018, the number of aircraft movements was 480,945 an increase of 1.1% compared with 2017.

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

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

<sup>3</sup> Figures at 31 December 2018, provided in a configuration of normal and simultaneous use of items. There are other possible configurations that may cause these values to vary.

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

At the end of 2018, the nominal capacities of the terminals amounted to 72 million passengers, given the continuing work to refurbish Terminal 2B.

(in millions of passengers/year)

	<b>At the end of 2018</b>
<b>Terminal 1</b>	<b>9</b>
<b>Terminal 2</b>	<b>59</b>
ABCD (Note: terminal 2B has been closed for remodelling since 9 April 2013)	16
E	24
Of which	
Pier	7
Satellite 3	9
Satellite 4	8
F	16
G	3
<b>Terminal 3</b>	<b>4</b>
<b>TOTAL</b>	<b>72</b>

## A powerful hub

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

According to the ACI Europe "Airport Industry Connectivity 2018" 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 3<sup>rd</sup> European hub for global connectivity (number of cities covered), behind Frankfurt and Amsterdam.

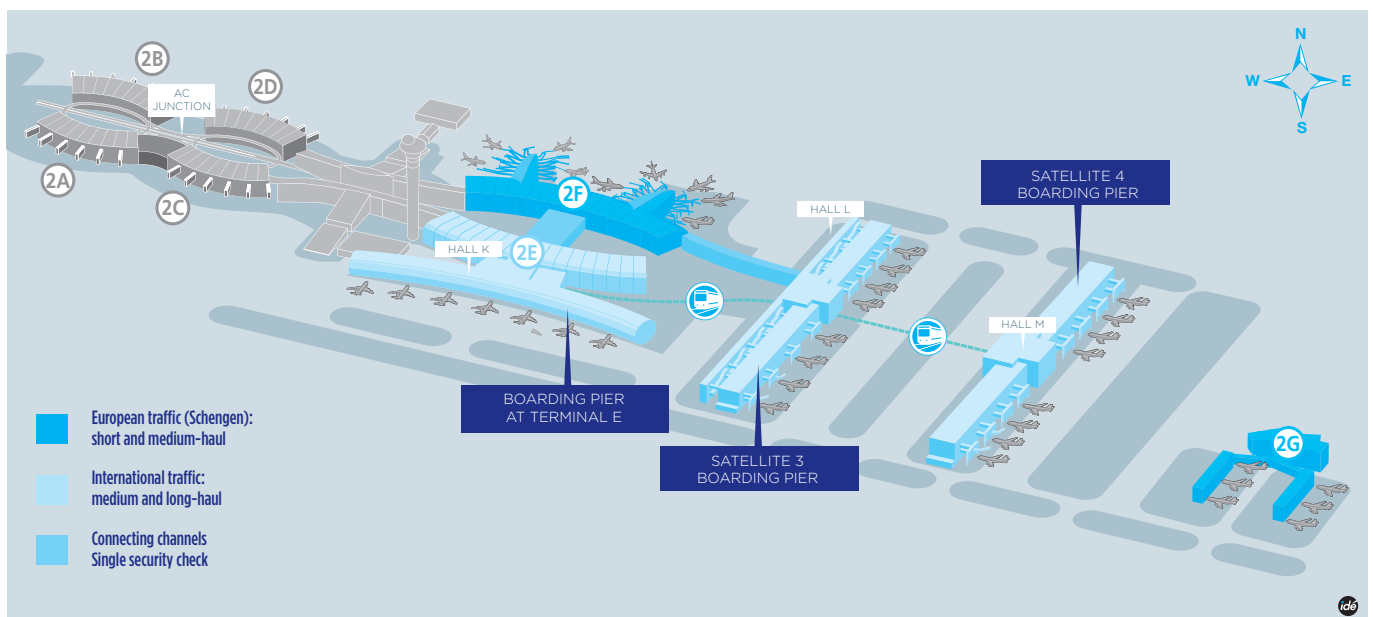
It is the European hub of La Poste and FedEx, the extension underway will enable an approximate 50% increase in sorting and parcel processing capacity and will be operational in 2019. It is also home to all of the main international freight companies. Its processing capacity of around 3.6 million tonnes 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 infrastructure has seen an in-depth transformation over the past years – the start-up of the A-C link and that from hall M to terminal 2E, the redesign of the connecting wells between terminals 2E and G, the opening of the Instant Paris lounge space, the 100% Schengen use of terminal 2F and the deployment of the Single Security Check and Automatic Baggage Drop-off (DBA), the automation of the boarding process and the increase in the number of PARAFE border control gates, combined with the deployment of facial recognition technology. This transformation, 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

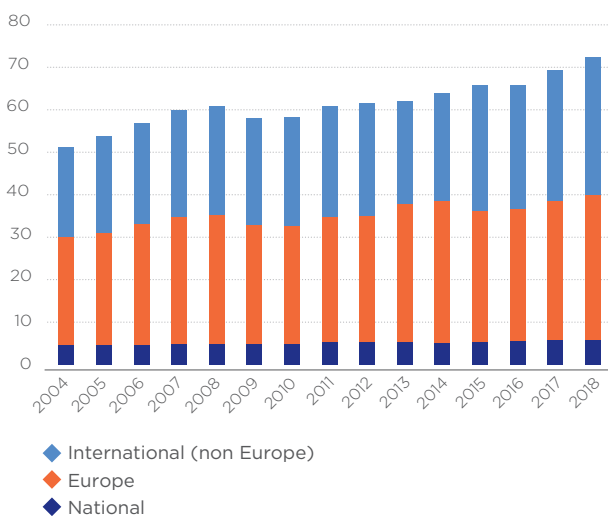


## Traffic

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 2018, connecting traffic accounted for 28.6% of the traffic.

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

(in millions of passengers)



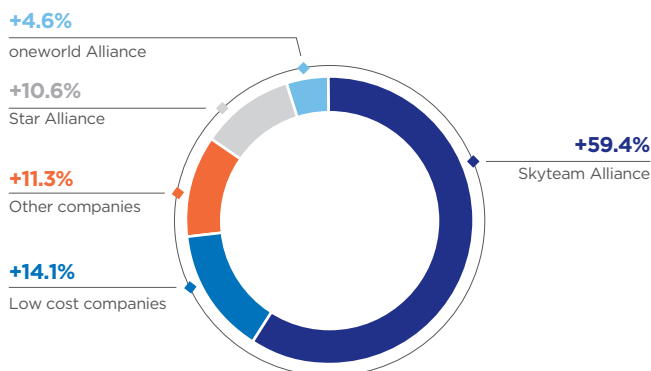
## Airlines

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 2018



The main airlines operating from Paris-Charles de Gaulle airport are Air France<sup>1</sup> (51.0% of the traffic), easyJet<sup>2</sup> (7.2%), Delta Airlines (2.5%), Vueling (1.8%) and Lufthansa (1.7%).

## 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 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 link will be completed as part of a concession contract for works between the French State and the Infrastructure Manager, CDG Express, a subsidiary equally owned by Groupe ADP, SNCF Réseau and Caisse des dépôts et consignations. Under the concession contract for works signed on 11 February 2019, the Infrastructure Manager, CDG Express, is responsible for financing, designing, building and maintaining the link. In parallel, in November 2018, the French State designated the Kéolis RATP Dev consortium as the preferred candidate for operating the future link.

The project represents an investment of €2.1 billion, which will be financed by a loan from the French State for a maximum of €1.7 billion approved in the French Finance law for 2018 and by equal equity contributions of around €400 million from the three shareholders. To repay the loan, the Infrastructure Manager will benefit from fees paid by the rail operator. In accordance with the amended Finance law for 2016, it will also benefit from the special "CDG Express" contribution of a maximum of €1.4 per air passenger excluding connecting passengers, paid by the airlines that use Paris-Charles de Gaulle airport from 2024 i.e. when the link has been commissioned.

In terms of administrative procedures, the project was subject to an amended public utility declaration in March 2017. Since February 2019, it also benefits from a single environmental authorisation enabling the works to be launched.

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

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

The New Grand Paris project plans for Paris-Charles de Gaulle airport to be linked to Saint-Denis Pleyel by metro line 17 by 2030. The airport will then be located 35 minutes from La Défense and 33 minutes from the Saint Lazare train station with a connection at Saint Denis Pleyel. The project provides for two stations within the platform, one at the TGV station and Terminal 2, and the other at a future Terminal 4.

Line 17 was declared of public utility by Decree on 14 February 2017.

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

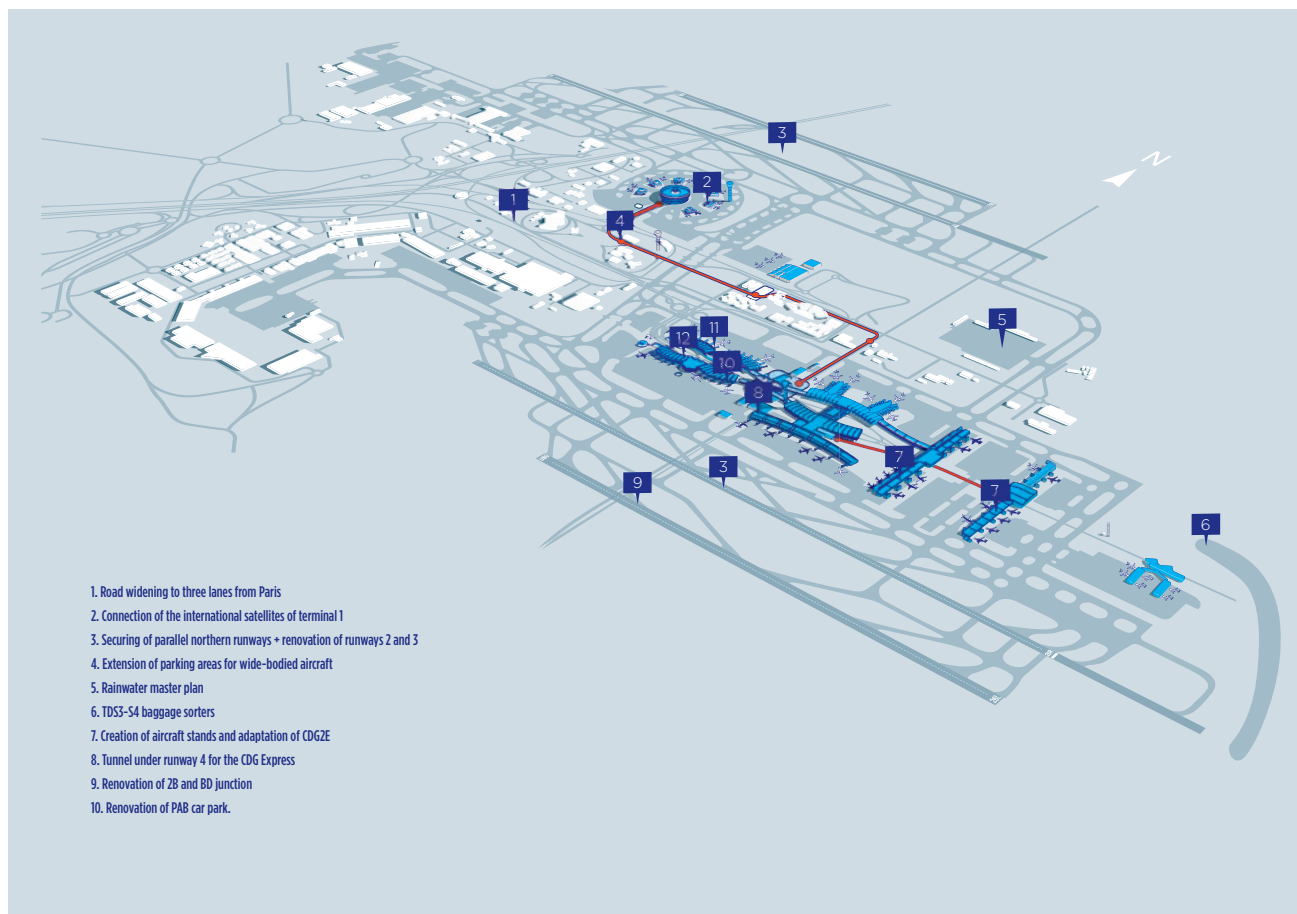
Aéroports de Paris is constantly improving the quality of its aviation infrastructure. In addition, Aéroports de Paris has launched an ambitious investment programme in order to guarantee the quality of its aviation infrastructure, and to increase the handling capacity of its terminals. The main investments at Paris-Charles de Gaulle airport in 2018 are described in Chapter 5<sup>1</sup>.

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

- ◆ refurbishing terminals 2B as well as building a junction 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 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).

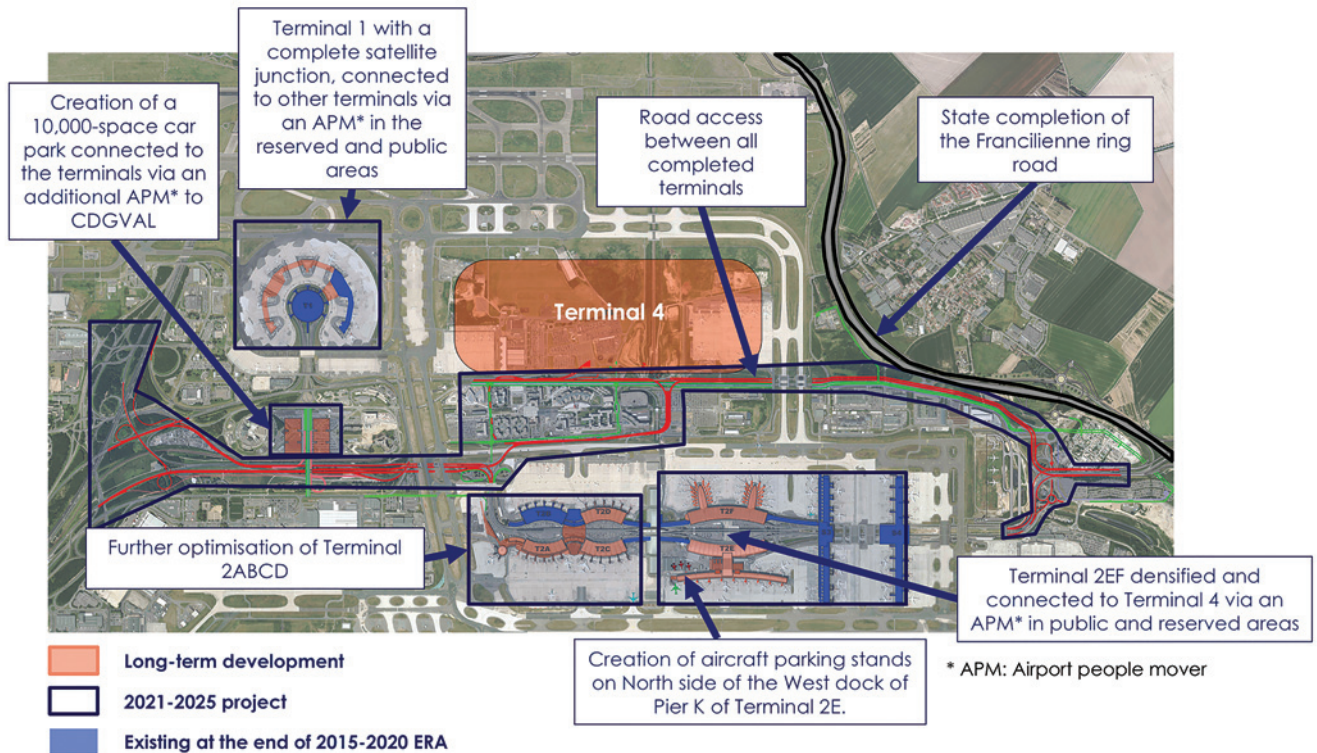
The main projects included in the proposed 2016-2020 investment programme for the regulated scope are shown in the map, below::



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

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

As part of the preparation for the 2021-2025 Economic Regulation Agreement, on 2 April 2019, ADP published the Public Consultation Document, including notably a proposal for the investment plan for the regulated scope over the considered period. With regard to the Paris-Charles de Gaulle platform, the proposed projects are summarised in the mapping below:



The main projects to be proposed are as follows:

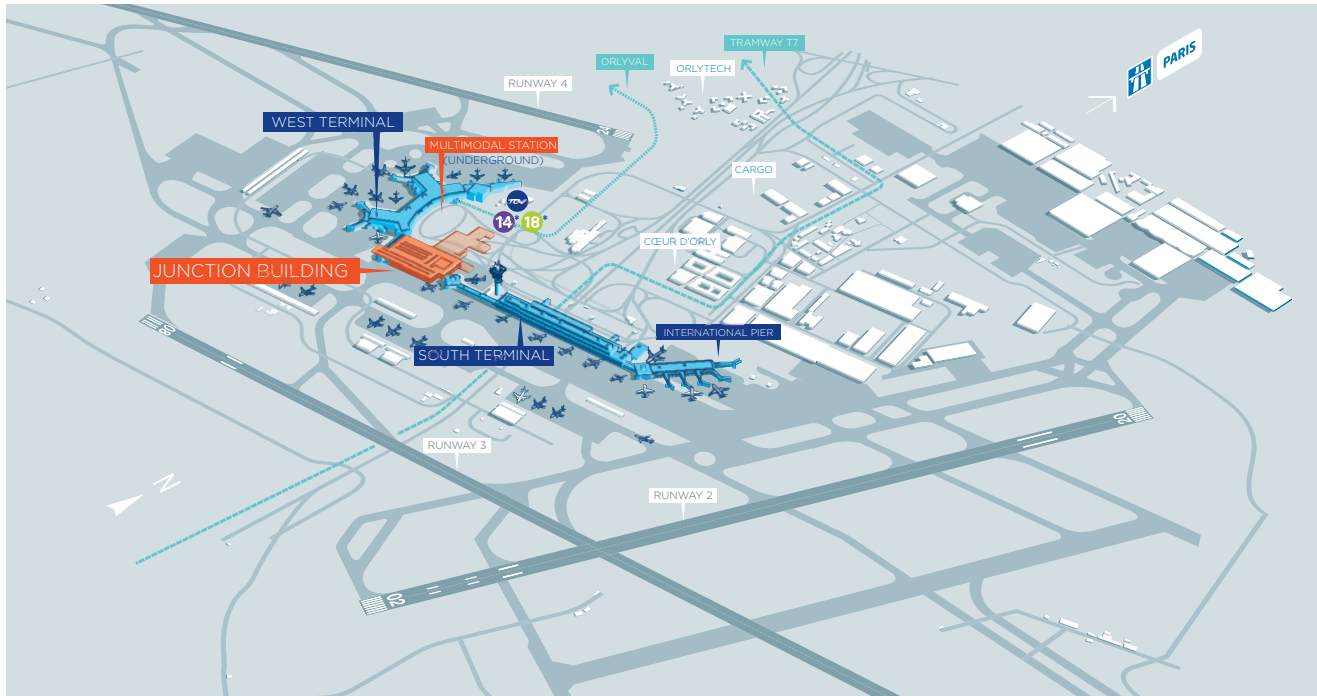
- ◆ **terminal 4 preparation.** To meet the growth in traffic, the Terminal 4 project consists of the construction of a set of buildings, traffic lanes and road and rail networks within the platform. The reception capacity of Terminal 4 will eventually be in the range of 35 to 40 million passengers per year. This project is the subject of a prior voluntary consultation from 12 February 2019 to 12 May 2019 under the auspices of guarantors appointed by the National Public Debate Commission. Over the 2021-2025 period, Terminal 4 construction will consist of the preparation of the plots, the launching of civil engineering work for the passenger trains in the reserved area, the completion of some of the access points to the terminal, the construction of aircraft taxiways and de-icing bays in the North, and work on the first phases of the Terminal 4 building;
- ◆ **hub densification:** creation of remote and contact aircraft stands, development of wide pathways, gains of space through internal rearrangement and work to bring all secondary resources into compliance. In particular, after the opening of the S3S4 luggage sorters, the creation is envisaged of contact stands on the North face of the West dock of Terminal 2E, Pier K;
- ◆ **continued joining of the satellites of terminal 1:** new junction between Satellites 1 and 7 based on the same model as used previously, transfer of Schengen traffic from Satellite 7 to Satellite 5, and reconfiguration

of the terminal's primary facilities, notably through development work landside and at arrivals and the creation of check-in desks;

- ◆ **improvements to terminals 2 ABCD:** restructuring of terminal 2D (optimisation of the public area and boarding lounges) and addition of capacities in terminal 2A (transformation of a stand to code F, creation of a boarding lounge and landing corridor, reconfiguration of Golf areas to medium-haul areas);
- ◆ **densification of terminal 3:** pooling and modernisation of security checkpoints, increase in the number of boarding gates and the creation of new bus stops to access the aircraft stands.

With regard to access, the launch of construction of a new terminal would be an opportunity to rethink the overall operation of the platform through the creation of a new road network to access Terminal 2. The creation of a two-storey PR car park (phase 1 with 6,500 spaces) would also improve service to that terminal by diverting part of the road traffic that now uses the viaduct. At the same time, CDG Val capacity would be increased by the purchase of two additional trains and a change in technology to increase frequencies. Finally, the existing infrastructures in the Terminal 2 EF-ABCD environment would be optimised (review of drop-offs, optimisation of access to car parks). This project would become more important with the intended closure by the French State of the Francilienne motorway.

## Paris-Orly



06

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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 jobs<sup>1</sup>, 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 served<sup>2</sup> 149 cities in 2018, 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 2<sup>nd</sup> largest airport in France and the 13<sup>th</sup> largest in Europe, with 33.1 million passengers in 2018, up 3.4% compared to 2017.

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.

The construction of the building at the junction of the West and South Terminals continued throughout 2018. 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.

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 was completed in July 2018.

The departure process refurbishment works in the South terminal are on-going with the aim of bringing the luggage sorting facilities up to international standards ("Standard 3" in terms of security). The principal commissioning will take place in March 2020.

<sup>1</sup> 2016 data. Source: Utopies 2017 study.

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

## A suitable infrastructure

### Runways

There are three runways at Paris-Orly with a scheduling capacity of 70 aircraft movements per hour. In 2018, there were 229,052 aircraft movements at Paris-Orly airport. Taking into account the current construction work, the airport has 74 aircraft parking stands, 51% of which are contact stands.

This configuration can go up to 91 parking stands as a maximum capacity for medium capacity aircrafts.

The 2018 use of contact stands for departure was around 85%.

### Nominal capacities of Paris-Orly terminals

At the end of 2018, 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 March 2019 to 32.5 million passengers, while raising the service quality level.

(in millions of passengers/year)	In 2018
South terminal	12.5
West terminal	16.5
<b>TOTAL</b>	<b>29.0</b>

### Regulatory constraints

Traffic at Paris-Orly airport is subject to two regulatory requirements. A decree 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 2018, the number of aircraft movements was 229,052, stable compared to 2017 at 229,027. 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 6.15 a.m. for landings. The PACTE bill, as definitively adopted by Parliament, incorporates these requirements and refers to the specifications to determine the terms and conditions of the operating approval for 250,000 allocated slots and the curfew.

### Traffic

Paris-Orly airport's traffic is mainly origin/destination traffic. In 2018, however, connecting passengers accounted for about 6.6% 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 partially 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 27.0% in the number of passengers per aircraft since 2009, with an average of 145 passengers in 2018, versus 114 passengers in 2009. During this period, the size of the modules used at the airport has constantly increased.

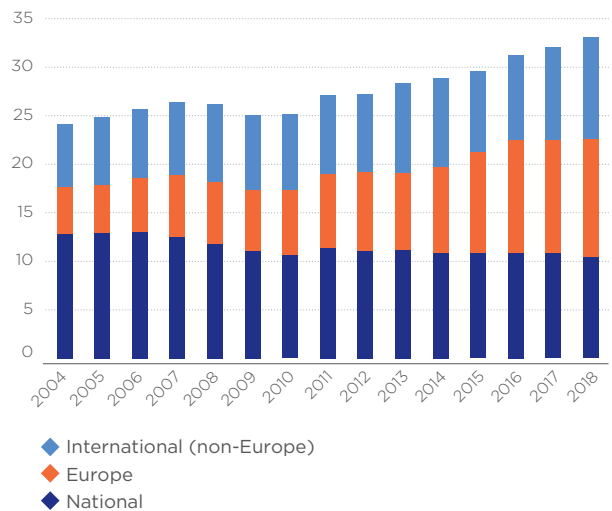
<sup>1</sup> Air France-KLM, Hop!

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

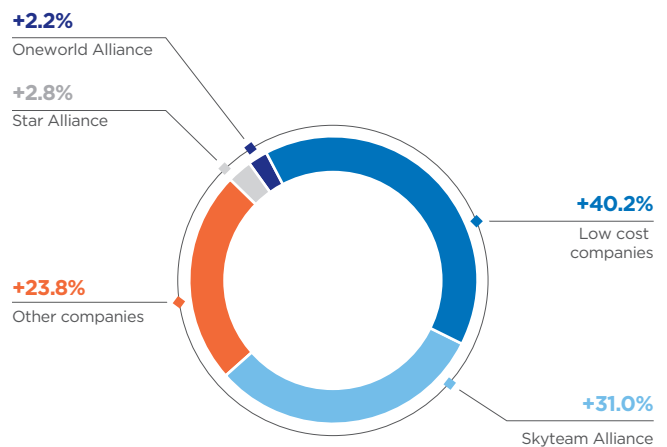
<sup>3</sup> See the section on "Real estate activities" in this Chapter.

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

(in millions of passengers)



## Passenger traffic by type of airline at Paris-Orly in 2018



The main airlines operating out of Paris-Orly are Air France<sup>1</sup> (30.1% of the traffic), Transavia.com (16.7%), easyJet<sup>2</sup> (10.0%), Vueling (8.8%), and Aigle Azur (4.0%).

## 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 "Cœur d'Orly"<sup>3</sup> business district to line 7 of the Paris metro. Phase 2 of the project (extension to Juvisy) is currently being studied.



Several other projects are currently in progress or being studied to improve the airport's services. The "New Grand Paris" project provides that Paris-Orly will be served by two new 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.

The Declarations of Public Utility (DUP) of lines 14 and 18 were obtained in July 2016 and March 2017, respectively. Preparatory work started in 2018.

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

There are around 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

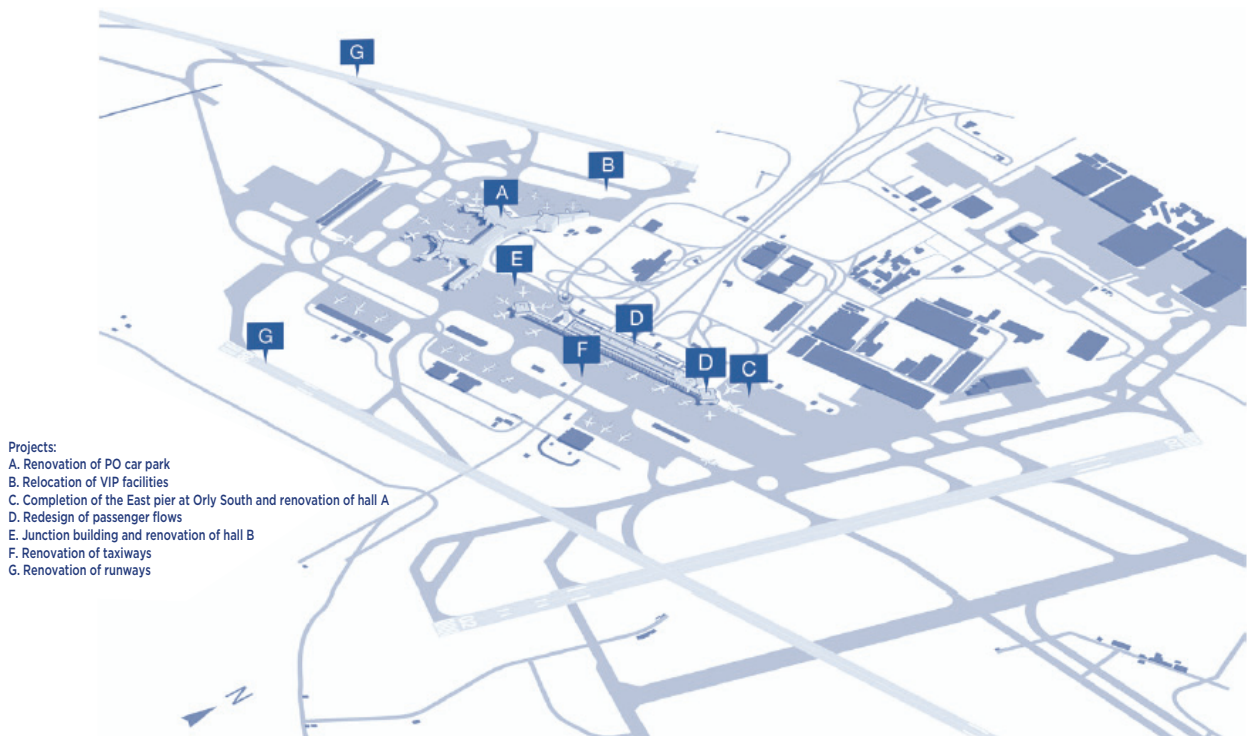
The investments carried out in 2018 at Paris-Orly are described in Chapter 5<sup>1</sup>, with notably the continued construction work on the junction between the South and West Terminals and regulatory compliance work on the East luggage sorting facilities at the South terminal.

The investments made at the Paris-Orly airport in 2018 are described in Chapter 5<sup>2</sup> including:

- ◆ 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:

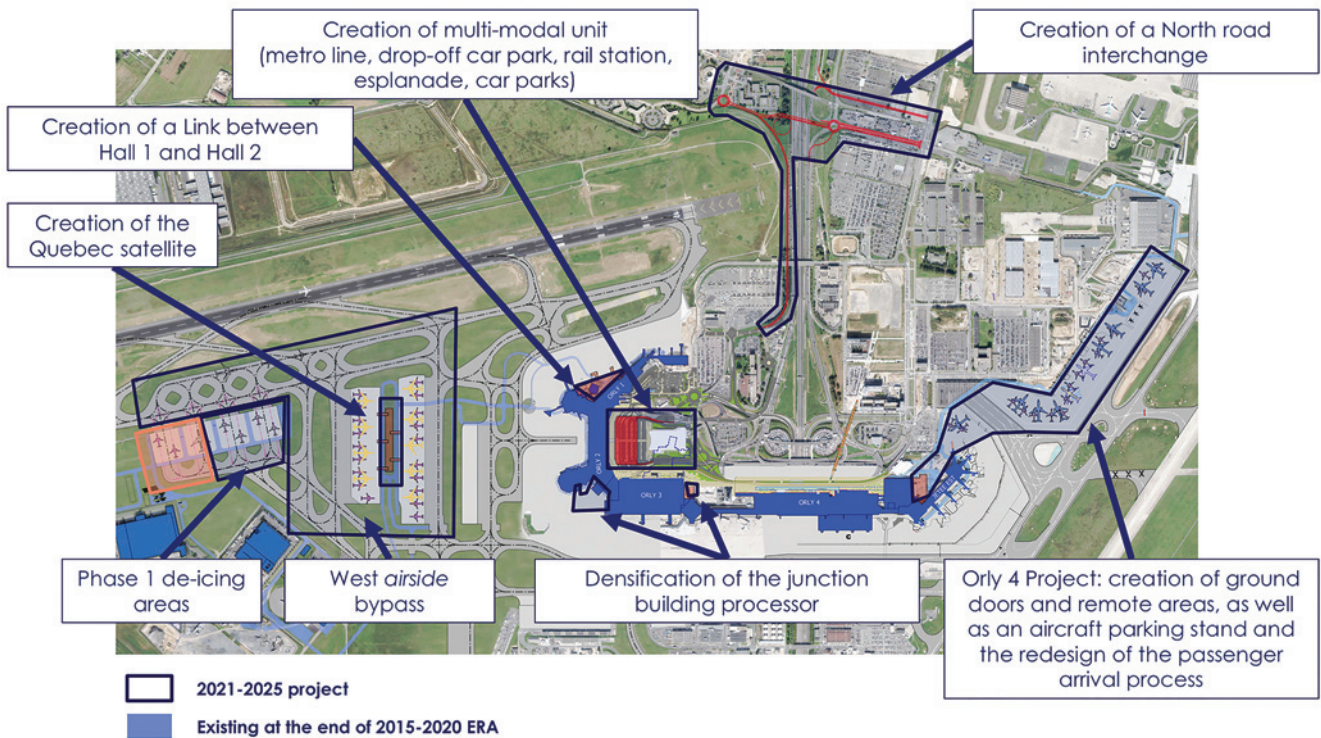


<sup>1</sup> Please refer to the paragraph in Chapter 5 entitled "Investments made by the Group over the last three financial years".

<sup>2</sup> Please refer to the paragraph in Chapter 5 entitled "Projected investment programme".for the Paris-Orly platform".

As part of the preparation for the 2021-2025 Economic Regulation Agreement, on 2 April 2019, ADP published the Public Consultation Document, including notably a proposal for the investment plan for the

regulated scope over the considered period. With regard to the Paris-Orly platform, the proposed projects are summarised in the mapping below:



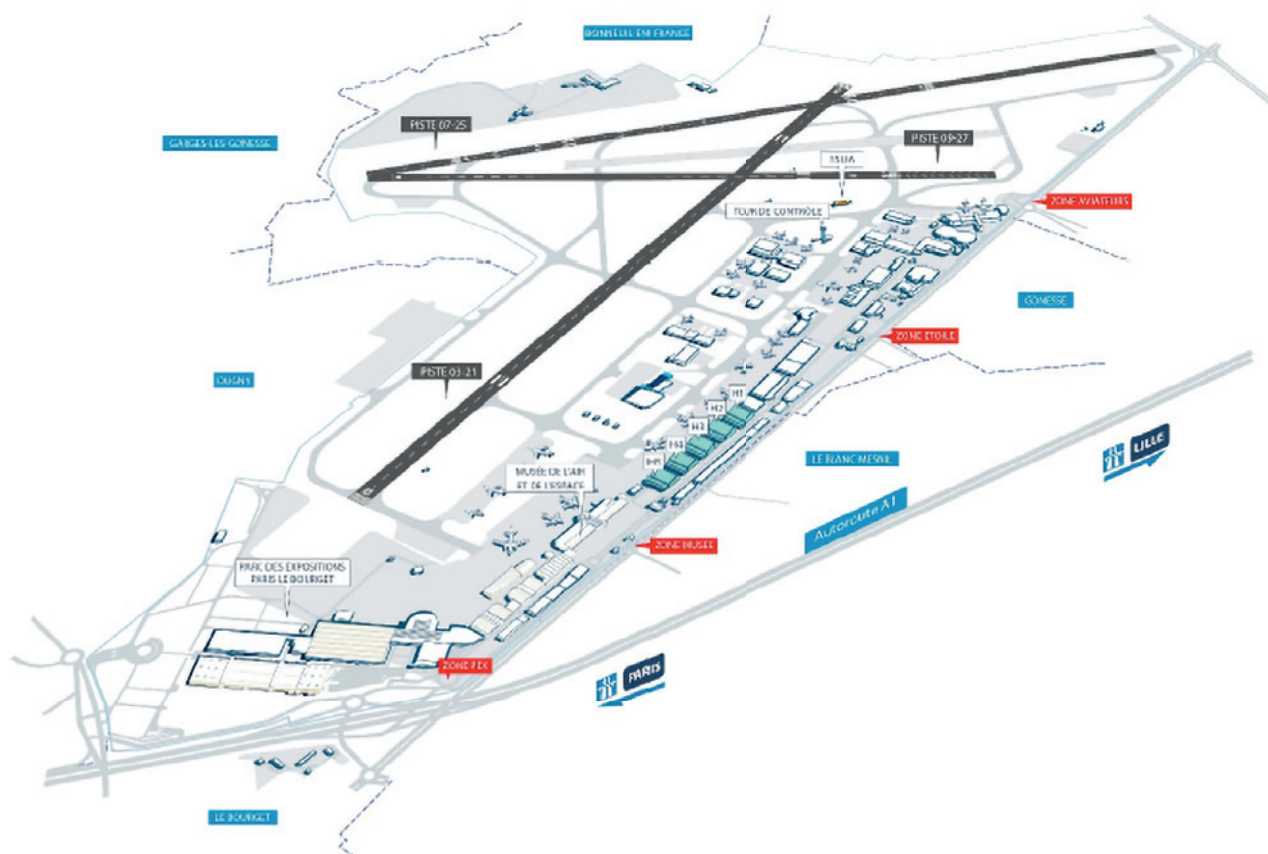
The main projects to be proposed are as follows:

- ◆ **the reconfiguration of the West airside infrastructures** with the creation of by-pass taxiways, the extension to aircraft aprons and the creation of primary de-icing areas;
- ◆ **the creation of a boarding lounge for the Québec areas**, to the west of the platform that is fully connected to the terminals via a dedicated and innovative path;
- ◆ **the merger of Halls 1 and 2** by the extension of the surface area of the boarding lounges;
- ◆ **the upgrade of Hall 4 (large lounge and arrival process)** by the upgrading to boarding capacities, luggage delivery and arrival areas,

the creation of contact aircraft parking stand capacity (creation of an Mi8 stand) and remote parking stand areas (creation and reconfiguration of the Golf areas).

With regard to access, the road network would be completely redesigned after the opening of the Grand Paris station, to facilitate access to Halls 1, 2, 3 and 4. A multi-storey car park would be built at that station. A large forecourt would be built to improve drop-offs and bring them in line with traffic in these halls and to create a bus station at the heart of the intermodal hub. Finally, a new interchange would be built at the north of the platform, arriving from Paris, to streamline traffic.

## Paris-Le Bourget



06

### 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.

After an increase of 2.2% between 2016 and 2017, the number of aircraft movements totaled 60,325 in 2018, increasing by +3.6% compared to 2017.

The airport has been involved in a massive modernisation and growth plan for many years. In 2018, the airport saw the continuation of its development plan with:

- ◆ the launch of preliminary work for the establishment of the “Le Bourget Aéroport” station on the airport site, as part of the line 17 project of the Grand Paris Express;
- ◆ the disposal in 2018 of the assets concerned by the Grand Paris development work (notably part of the Parking Silo building) and the relocation of lessees;

- ◆ the start of building work on a training centre for aviation occupations with the objective of opening it in September 2019;
- ◆ the conversion of the air safety certificate under European law, obtained at the end of 2017 which is backed by a works programme on airport infrastructure, and, in 2018, notably concerned compliance work on access fencing, waiting areas and visual aids in movement areas.

Numerous renovation projects also continued, with building renovations, modernisation of energy systems and wastewater networks.

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 for setting up an art conservation centre at Paris-Le Bourget Airport, for which the land development work was completed in 2018.

As part of the preparation of the 53<sup>rd</sup> edition of the International Paris Air Show which will take place in 2019, a hosting area for military personnel responsible for security was installed.

In 2018, Paris-Le Bourget welcomed the France AIR EXPO show for the first time.

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 2018, Paris-Le Bourget airport maintained its position as Europe’s leading business aviation and continues to see growth in its traffic. The airport is accordingly well 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). Note that following the liquidation in 2018 of the Segur Group, Advanced Air Support (which has since become Advanced Air Support International) and Jet Home were acquired by Europe Handling Group and R&O by La Baule Aviation whilst the AC Hotels Marriott hotel was bought by the Westmond Group). At end 2018, CLAIR Group acquired Signature’s Business Terminal 2.

Similarly, major international manufacturers and operators (Dassault Falcon, Cessna, Embraer and TAG, along with Bombardier and Gulfstream in 2018) have located Europe-wide maintenance centres 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 Le 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.

## Proposals for 2021-2025

The Paris-Le Bourget platform will benefit from the certain arrival of Line 17, which will enhance the platform’s attractiveness and accessibility and justify infrastructure maintenance and upgrading operations in the area.

Thus, as part of the preparation for the 2021-2025 Economic Regulation Agreement (ERA), on 2 April 2019 ADP announced the planned real estate projects for the Paris-Le Bourget platform.

ADP plans gradual investments in this platform: management of aircraft parking areas, which will take place in the medium term through increasing the capacity of aircraft areas, reinvestment in historic buildings and development of the North area and the West area (Dugny) for aircraft maintenance activity.

In the Public Consultation Document, ADP proposed a development plan through the renovation of hangars and the construction of parking areas around the central area, for the maintenance of Category C and other aircraft.

## 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.

In 2018, around €2.0M were invested for the renovation of the infrastructures and the buildings of Civil airfields for general aviation



## 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	2017	2018/2017
Revenue	1,890	1,813	+4.3%
<i>Airport fees</i>	1,115	1,055	+5.6%
<i>Ancillary fees</i>	239	230	+3.6%
<i>Revenue from airport safety and security services</i>	499	487	+2.3%
<i>Other income</i>	38	40	-3.4%
EBITDA	603	551	+9.4%
Operating income from ordinary activities	307	272	+12.8%

### 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 defines the regulated scope. It is on this scope that the 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).

In 2018, ROCE (return on capital employed, or *retour sur capitaux employés*) of regulated scope stood at 5.73%. Regulated operating profit for 2018 stood at €467 million, €306 million after tax (tax rate of 34.43% in 2018) and the regulated asset base stood at €5,341 million as at 31 December 2018.

Since 1<sup>st</sup> 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)<sup>1</sup>;
- ◇ 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 residents<sup>2</sup>;
- ◇ ground-handling service activities falling within the competitive field<sup>3</sup>;
- ◇ other activities engaged in by subsidiaries.

#### Profitability of the regulated scope

<i>(in millions of euros)</i>	2018	2017
Regulated operating profit	467	424
Regulated assets base <sup>1</sup>	5,341	5,083
<b>REGULATED OCE AFTER TAXES</b>	<b>5.73%</b>	<b>5.05%</b>

<sup>1</sup> Including subventions.

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

<sup>2</sup> Please also refer to the paragraph in Chapter 17 "Environmental data".

<sup>3</sup> Please refer to the paragraph in Chapter 6 on "Ground-handling activities".

### 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. These are the specifications approved by Decree no. 2005-828 of 20 July 2005 relating to Aéroports de Paris. This public service activity is also governed, with respect to fees, by the French Transport Code and 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 €695 million in 2018 compared with €653 million in 2017;
- ◇ 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 €254 million in 2018 compared to €243 million in 2017;
- ◇ 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 €165 million in 2018 compared with €159 million in 2017.

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 2018 stood at €1,115 million (€1,055 million in 2017), accounting for 24.9% of Groupe ADP's revenue<sup>1</sup>.

### Ancillary fees

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

- ◇ the fee for providing check-in counters, boarding facilities, and local baggage handling facilities comprises a fixed portion, based on the number of counters used, and a variable portion based on the number of non-connecting passengers checked in, and which varies according to the type of destination. Income from this fee amounted to €90 million in 2018;
- ◇ 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 €44 million in 2018;
- ◇ 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. Income from this fee amounted to €24 million in 2018;
- ◇ 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 €62 million in 2018.

The income from these fees is presented as revenue in the consolidated financial statements under the item "Ancillary fees". The fees amounted to €239 million in 2018 (€230 million in 2017), which represented 5.3% of Groupe ADP's revenue<sup>2</sup>.

### 2016-2020 Economic Regulation Agreement

The ERA covering the five year 2016-2020 period was signed by the French government and Aéroports de Paris on 31 August 2015. The document is available at [www.groupeadp.fr](http://www.groupeadp.fr). The ERA applies to tariffs from 1<sup>st</sup> 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), within one month following the receipt of the notification.

In the event of opposition, Aéroports de Paris has the option, within one month from the notification of opposition from the *Autorité de supervision indépendante* (ASI, Independent Supervisory Authority) to submit a new proposal. The regulatory authority then has 21 days to approve this new.

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

#### Changes in fee levels

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

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

<sup>1</sup> Before intersegment eliminations.

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

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.

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#### 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: 2<sup>nd</sup> quarter 2016;
- ◇ refurbishment of runway 4 at Paris-Orly: 4<sup>th</sup> quarter 2017<sup>1</sup>;
- ◇ “Paris-Orly Nouvel Envol” (new departure) link: 1<sup>st</sup> quarter 2018;
- ◇ luggage sorters in Hall L (TDS3) Paris-Charles de Gaulle: 2<sup>nd</sup> quarter 2018;
- ◇ first phase of the refurbishment of runway 3 at Paris-Orly: 4<sup>th</sup> quarter 2019<sup>2</sup>;
- ◇ connecting of Terminals B and D at Paris-Charles de Gaulle: 2<sup>nd</sup> quarter 2019;
- ◇ connecting of the Terminal 1 satellites at Paris-Charles de Gaulle: 2<sup>nd</sup> quarter 2019.

The results of this indicator lead to the application of the pricing cap adjustment factor, called INV1(n). It is based on a system of bonuses and

<sup>1</sup> The refurbishment of runway 4 at Paris-Orly aimed at opening during the 4<sup>th</sup> 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.

<sup>2</sup> The deadline for the first phase of the Runway 3 renovation at Paris-Orly was the third quarter of 2018. Given that it appeared preferable for all stakeholders, the deadline was postponed to the fourth quarter of 2019, after consultation with the operators involved and with the State's approval.

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% respectively<sup>1</sup>.

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.

<sup>1</sup> Please refer to the press release concerning the approval of the 2016 tariffs by the ASI available on [www.groupeadp.fr](http://www.groupeadp.fr).



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

It also consists of the simplification of the fee for providing 400 Hz electrical 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 ERA;
- ◆ 2.8% at Paris-Le Bourget airport.

All fee rates, with the exception of fees for assistance to disabled people or those with reduced mobility at Paris-Charles de Gaulle Airport, were approved by the ASI on 12 February 2018. The latter were approved by the ASI on 19 March 2018.

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.

#### For the 2019 pricing period

The basic cap rate corresponds to a +3.231% increase in the 2019 baseline tariffs (change in inflation between August 2017 and August 2018) with an uplift of 1.25 points, to which the adjustment factors are applied:

- ◆ traffic (TRAF factor): determined at -0.2785%, the traffic generated being above the buffer zone of ERA's reference traffic;
- ◆ quality of service (QDS factor): corresponding to a +0.02% bonus;
- ◆ investments (INV1 factor) determined at 0%, due to the completion within the deadlines or in advance compared to the targets assigned in the ERA of the three operations to be considered for the 2019 pricing period, *i.e.* the renovation of runway 4 at Paris-Orly, the luggage sorter in Hall L (TDS3) and the Orly Nouvel Envol junction.

The maximum change in 2019 tariffs is therefore +2.964% compared to the 2018 baseline tariffs, *i.e.* +3.52% compared with the 2018 effective tariffs.

Aéroports de Paris submitted the following average annual fee changes for an opinion from the Consultative Economic Commissions:

- ◆ +2.957% at Paris-Charles de Gaulle and Paris-Orly airports;
- ◆ 2.957% at Paris-Le Bourget airport.

Following these consultations, Aéroports de Paris submitted the following slightly lower average annual fee changes for ASI approval:

- ◆ 2.944% at Paris-Charles de Gaulle and Paris-Orly;
- ◆ 2.944% at Paris-Le Bourget.

By decision no. 1810-D1 of 11 January 2019, the ASI refused to approve the airport fee levels notified to the Authority on 14 December 2018, with the exception of the fee levels for assistance to persons with disabilities or impaired mobility. Following this refusal decision, Aéroports de Paris submitted a second fee level proposal to the ASI on 22 January 2019. This second proposal used an increase of +1.00% for Paris-Charles de Gaulle and Paris-Orly airports and +3.52% for Paris-Le Bourget airport. By decision no. 1810-D2 of 6 February 2019, the ASI approved this second proposal in its entirety<sup>1</sup>.

For the 2019 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 2018 allocation conditions for the incentive measures for traffic growth and better infrastructure use. The 2019 cap on each of the three incentive measures was set at €5.21 million by applying a 1.000% index to the 2018 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.

<sup>1</sup> Please refer to the press release concerning the approval of the 2019 tariffs by the ASI available on [www.groupeadp.fr](http://www.groupeadp.fr).

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.

## Preparation of the 2021-2025 Economic Regulation Agreement

Having committed to an in-depth consultation in 2018 with air carriers and listened to their expectations and priorities, during March 2019, Aéroports de Paris presented to them and to their member representatives of the Economic Consultative Commission (Cocoéco), the details of its proposal on the main focuses of the next Economic Regulation Agreement (ERA) for which the five related tariff periods cover the period from 1 April 2021 to 31 March 2026.

On 2 April, Aéroports de Paris published the public consultation document on the Economic Regulation Agreement for the 2021-2025 period, available at [www.aeroportsdeparis.fr](http://www.aeroportsdeparis.fr), which presents the detailed proposal for the 2021-2025 ERA.

Based on an assumption of an average increase of 2.6% in passenger traffic per year, Aéroports de Paris' proposal for the 2021-2025 ERA focuses on:

- ◆ an ambitious provisional investment programme for the regulated scope<sup>1</sup> of around €6 billion, meeting short and medium term needs, with a priority given to accessibility and efficient traffic flow, and also long-term needs with the launch of work on the future Terminal 4 at Paris-Charles de Gaulle;
- ◆ traffic growth in all areas and, in particular, international, reflecting the attractiveness of the Paris platforms in terms of infrastructures, quality of service and tariff positioning;
- ◆ reinforced competitiveness thanks to a policy of controlling current expenses<sup>2</sup> in the regulated scope (growth limited to +2.4%, including inflation, on average per year, despite the numerous infrastructure deliveries), ensuring a moderate pricing strategy with a proposed annual tariff change limited to the CPI<sup>3</sup> +1.35%; and
- ◆ an objective of convergence for the return on capital employed for the regulated scope to the level of the WACC<sup>4</sup> assessed at the limits of the regulation agreement (estimated at 5.6%) on average over the duration of the agreement.

In order to continue the discussions with air carriers on this Regulation Agreement proposal, Groupe ADP wanted to extend the consultation phase by organising several Cocoéco sessions during April, May and June 2019. Other meetings led by IATA are also planned.

In accordance with the regulatory procedure, with the publication of the public consultation document, Aéroports de Paris has now entered into a period of public consultation concerning its proposal for the 2021-2025 Economic Regulation Agreement. In accordance with the regulations, this phase will last for one month and may be extended for an additional 15 days by the Minister responsible for civil aviation. Following this consultation, the Minister responsible for civil aviation will take the matter to the Airport Consultative Commission (*Commission Consultative Aéroportuaire*), which then has two months to provide a motivated opinion. This opinion is made public. The Minister responsible for civil aviation then brings the matter before the Independent Supervisory Authority for Airport Fees (ASI), which gives its assent to the draft Economic Regulation Agreement. The ASI has two months to provide its opinion and this time period may be extended for an additional two months in exceptional and duly motivated circumstances.

## 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;

<sup>1</sup> The regulated scope is defined by Article 1 of the decree of 16 September 2005 relating to fees for services rendered in airports.

<sup>2</sup> Internal and external regulated costs excluding depreciation and amortisation, taxes and levies.

<sup>3</sup> Consumer price index.

<sup>4</sup> Average Weighted Cost of Capital.

- ◇ a security check system for hold baggage that ensures security checks of 100% of hold baggage according to procedures defined by the Government authorities, which essentially consists of explosive-detecting apparatus, generally integrated into airport baggage handling facilities, possibly accompanied by specially trained dogs;
- ◇ security check measures for staff and vehicles at each access point to restricted security areas within airports, as well as access control measures, including biometrics in particular;
- ◇ security check and screening measures for supplies;
- ◇ security procedures for the use of facilities made available to the group's partners (check-in counters, boarding lounges, etc.);
- ◇ specific layouts inside and outside the terminals: physical separation of departing and arriving passenger flows, video-surveillance of security check-points and personnel access points, security partitions, secured emergency exits, and anti-return doors and hallways, etc.;
- ◇ patrolling procedures and monitoring of border security and controls in critical parts of restricted access security areas for airport identification cards and vehicle passes.

All of these measures 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

### PURPOSE OF THE TAX

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 tax provided for in article 1609 quaterdecies of the French General Tax Code, and collected for each departing passenger and each tonne of cargo or mail that is loaded.

### AMOUNT AND DEDUCTION

The amount of the tax is determined by order of the ministers in charge of the budget and civil aviation.

From 1 January 2011 to 31 March 2019, the civil aviation tax amounted to €11.50 per departing passenger and €1.00 per tonne of cargo or mail. Moreover, to reinforce the competitiveness of the Paris-Charles de Gaulle hub, from 1 April 2013, the civil aviation tax amounted to €6.90 for connecting passengers, in application of a reduction of 40% in the tax.

Article 179 of the 2019 Finance Law amends article 1609 quaterdecies of the French General Tax Code from 1 April 2019. From this date, the amount of the civil aviation tax is capped at €10.80 per departing passenger. The decree of 25 March 2019, applicable from 1 April 2019, set the tax for Aéroports de Paris at €10.80 per departing passenger and €3.78 for connecting passengers.

With regard to the reduction for connecting passengers, article 1609 quaterdecies of the French General Tax Code, in its version applicable up to 31 December 2018, provided that the reduction rate would be set by decree by the Ministers responsible for the budget and civil aviation up to a ceiling of 40%. The decree of 23 March 2018 set the reduction rate for connecting passengers at 40%. Article 180 of the 2019 Finance law no. 2018-1317 of 28 December 2018 amended the reduction rate, by indicating that this rate must be between 40% and 65% from 1 January 2019. The decree of 25 March 2019 set the applicable reduction rate for connecting passengers at 65% from 1 April 2019.

### SURCHARGE FOR THE EQUALISATION SYSTEM

Lastly, a surcharge per departing passenger is paid into an equalisation system, which contributes towards funding these public services 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. This surcharge is provided for in paragraph IV bis of article 1609 quaterdecies, which stipulates that: "From 1 January 2010, the civil aviation tax tariff per passenger is subject to a flat rate surcharge, up to €1.25, set by the joint decree of the Minister responsible for the budget and the Minister responsible for civil aviation. The upper limits of the tariffs indicated in IV do not take this surcharge into account."

The tariff of the surcharge on the civil aviation tax for Aéroports de Paris' airports (Paris-Orly, Paris-CDG, Paris-Le Bourget and the civil airfields for general aviation) was set at €0.90 per passenger from 1 April 2018, by decree of 23 March 2018 setting the list of airports and airport groups and the tariff for the civil aviation tax applicable to each one as well as the civil aviation tax surcharge.

Since the Amending French Finance Act 2013 (Act No. 2013-1279 of 29 December 2013 amending Article 1609 quaterdecies 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.

### USER FEES

Article 179 of the 2019 Finance law no. 2018-1317 of 28 December 2018 amended article 1609 quaterdecies of the French General Tax Code, that governs the civil aviation tax, by stipulating that for each class 1 and 2 airport or group of airports for which the annual costs per departing passenger eligible for the financing by the tax are greater than or equal to €9 on average over the last three known civil years, the tariff of the civil aviation tax is set so as to cover 94% of the eligible costs supported by its operator, from 1 April 2019.

Aéroports de Paris comes under the scope of application of this provision. The Company operates a group of class 1 airports for which the annual costs per passenger eligible for financing by the tax exceeded €9 on average over the last three known civil years. As a result, from 1 April 2019, 6% of the costs attributable to tasks covered by the tax, will be borne by Aéroports de Paris.

Based on security costs for Aéroports de Paris SA of between €500 million and €600 million per year over the coming years, the impact of these user fees on the company's operating income amounts to around €30 million to €35 million per year.

After an investment plan of around €0.5 billion over the 2016-2020 period, Groupe ADP could once again invest around €0.5 billion on the Parisian platforms for safety/security (around €900 million in total over the 2019 to 2025 period), with notably the deployment of Standard 3 EDS detection equipment which should be completed by the end of 2022.

These forecasts communicated by the Group at the beginning of April 2019 during the Investors' Day are not targets, but constitute a preliminary medium-term vision that supplements the targets in the Connect 2020 plan, which are unchanged in terms of safety/security. Based on security costs for Aéroports de Paris SA of between €500 million and €600 million per year over the coming years, the impact of these user fees on the company's operating income amounts to around €30 million to €35 million per year.

## Retail and services

This segment includes all of Groupe ADP's retail activities (notably shops, bars and restaurants, car parks, rentals within terminals), as well as advertising activities (Média Aéroports de Paris<sup>1</sup> 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.

From the second quarter of 2019, as part of the reinforced governance of commercial joint ventures, these two joint ventures (Société de Distribution Aéroportuaire SDA and Relay@ADP) will be fully consolidated in the Group's financial statements.

After an investment plan of around €0.5 billion over the 2016-2020 period, Groupe ADP could once again invest around €0.5 billion on the Parisian platforms for safety/security (around €900 million in total over the 2019 to 2025 period), with notably the deployment of Standard 3 EDS detection equipment which should be completed by the end of 2022.

These forecasts communicated by the Group at the beginning of April 2019 during the Investors' Day are not targets, but constitute a preliminary medium-term vision that supplements the targets in the Connect 2020 plan, which are unchanged in terms of safety/security.

## 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.

<i>(in millions of euros)</i>	2018	2017	2018/2017
Revenue	1,000	953	+4.9%
EBITDA	580	533	+8.9%
Share in associates and joint ventures from operating activities	2	3	-9.6%
Operating income from ordinary activities (including operating activities of associates)	458	404	+13.3%

## Breakdown of revenue

<i>(in millions of euros)</i>	2018	2017	2018/2017
<b>Revenue</b>	<b>1,000</b>	<b>953</b>	<b>+4.9%</b>
Retail activities	490	459	+6.8%
Car parks and access roads	173	171	+1.1%
Industrial services revenue	129	134	-3.7%
Rental income	149	147	+1.7%
Other income	58	42	+37.5%

## Rental income from retail activities

<i>(in millions of euros)</i>	2018	2017	2018/2017
<b>Retail (rents)</b>	<b>490</b>	<b>459</b>	<b>+6.8%</b>
Airside shops	318	303	+4.8%
Landside shops	20	19	+9.0%
Bars and restaurants	48	42	+13.4%
Advertising	55	50	+10.0%
Cash and foreign exchange	20	19	+3.1%
Car rental	16	14	+9.9%
Other	14	11	+21.0%

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



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.

## 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 returns<sup>1</sup> which are 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 Aéroportuaire<sup>2</sup>, 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 (52.6 million passengers in 2018).

The recent renegotiations with SDA and Relay set the new contractual term at 31/12/2022.

Sales/Pax (in euros)	2018	2017	2018/2017
Duty Free zone	32.3	33.0	-2.1%
Duty Paid zone	7.4	7.1	-4.2%
<b>TOTAL</b>	<b>18.4</b>	<b>18.2</b>	<b>+0.6%</b>

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In 2018, revenue per passenger airside (Shops & Bars and restaurants) was €20.9, of which €18.4 for the boutiques. Note that China represents 2% of the Group's total traffic, but 14% of revenue for airside shops.

## 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.

## 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 until end of 2022.

## 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's commercial strategy is based on four pillars:

- ◆ two pillars for supply:
  - ◆ a marketing positioning "The Ultimate Parisian shopping and dining experience", implemented via products (centred on three product families that are emblematic of French know-how: Fragrances & cosmetics, Luxury Fashion and the French Art of Living), the design of retail spaces conceived as Paris shop windows, 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),

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

<sup>2</sup> Activity described in the paragraph Joint-ventures activities.

- ◆ 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;
- ◇ two pillars for demand:
  - ◆ stimulating demand, particularly by creating brand recognition upstream of the airport arrival, notably in the key markets (specifically China),
  - ◆ the impact of traffic growth.

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, penalised by a sharp decline in tobacco sales linked to the implementation of plain packaging in France. In 2018, revenue per passenger continued to increase slowly, despite major work being carried out in certain terminals. This growth was driven in particular by Relay stores and the Luxury offering.

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

Under CONNECT 2020<sup>1</sup>, Aéroports de Paris intends to consolidate and continue the development of its retail activities *via* three strategic priorities:

- ◇ providing the ultimate Parisian shopping and dining experience by:
  - ◆ standardising the offering within the international terminals through six major projects at Paris-Orly and Paris-Charles de Gaulle between 2016 and 2020. The first 2016 milestones of this major development approach were met 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). In 2018, the main changes were the continuation of work

on Hall K, the redesign of Hall L and the completion of preparatory work on the Orly junction,

- ◆ continuing to enhance the brand portfolio, notably *via* the three strategic families (Beauty, Fashion & Accessories and the French Art of Living). In 2018, several new brands enhanced our retail (Louis Vuitton) and restaurant portfolios (Teppan with Thierry Marx, a new restaurant with Guy Martin: "The French Taste" etc.).

In addition to these openings, many new temporary points of sale were opened to boost retail activity, including both shops and restaurant,

- ◆ 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<sup>6</sup>.

Lastly, in April 2019, the Group published a certain number of insights and medium-term forecasts in terms of revenue per passenger for the retail activities in Paris.

Sales/passenger in the airside Shops and Bars & Restaurants (including catering in the reserved area), could amount to €27 in 2025, with an intermediate estimate of €25.50 in 2021, with 2021 being the first full year after the delivery of the infrastructure planned as part of the 2016-2020 Economic Regulation Agreement. These forecasts do not, however, constitute new targets but translate a vision which supplements the Connect 2020 plan, based on Aéroports de Paris' proposals for the next 2021-2025 Economic Regulation Agreement, for which the content is liable to change up to its signature.

## Change in the total area dedicated to retail

<i>(in thousands of sq.m.)</i>	2017	2018
Airside shops	30	29
<i>of which, shops in International areas</i>	23	22
<i>of which, shops in Schengen areas</i>	6	6
Landside shops	6	6
Bars and restaurants	22	23
<b>TOTAL</b>	<b>58</b>	<b>58</b>

## 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 in 2018 over the other partnerships (Société de Distribution Aéroportuaire, Relay@ADP, EPIGO).

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

(in millions of euros)	2018	2017	2018/2017
<b>Revenue of joint ventures (100%)</b>	<b>906</b>	<b>866</b>	<b>+4.6%</b>
<i>Société de Distribution Aéroportuaire</i>	742	721	+2.8%
<i>Relay@ADP</i>	96	83	+15.0%
<i>EPIGO</i>	69	61	+11.9%
<b>Net income of joint ventures (100%)</b>	<b>5</b>	<b>5</b>	<b>-4.9%</b>
<i>Société de Distribution Aéroportuaire</i>	1	5	-80.2%
<i>Relay@ADP</i>	7	6	+24.1%
<i>EPIGO</i>	(4)	(6)	-35.8%

From the second quarter of 2019, as part of the reinforced governance of commercial joint ventures, these two joint ventures (Société de Distribution Aéroportuaire SDA and Relay@ADP) will be fully consolidated in the Group's financial statements.

## 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 2018, Société de Distribution Aéroportuaire operated 146 stores over a total surface area of 22,960 sq.m. across all terminals at Paris-Charles de Gaulle and Paris-Orly airports.

From the second quarter of 2019, following the strengthening of the governance of commercial joint ventures, SDA will be fully consolidated in the Group's financial statements.

The contract with SDA was extended until the end of 2022.

## 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 end of 2022.

At the end of 2018, Relay@ADP managed 72 points of sale over a total area of 8,394 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);

From the second quarter of 2019, following the strengthening of the governance of commercial joint ventures, Relay@Paris will be fully consolidated in the Group's financial statements;

The contract with Relay@ADP has been extended until the end of 2022.

## 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 2018, EPIGO managed 36 restaurants over a total surface area of 4,592 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.

### Ensuring correct information for passengers

Passengers departing and/or arriving at Paris-Orly and Paris-Charles de Gaulle airports can call a single telephone number 24/7 (39 50) with an interactive voice server to obtain information quickly or speak directly with one of our agents.

Given the increasing, permanent need for connection for travellers, Groupe ADP, supported by its service provider, Hub One, has set up an extensive, high quality Wi-Fi network that guarantees free access to the internet for passengers and people accompanying them. Over 100 touch screen information terminals have been set up at our two Parisian airports, in departures and arrivals, so that travellers can access to a wide range of information (location of services, hotels, shops, access and local transport, etc.) in an interactive way and in 11 languages. On these same terminals, passengers can scan their boarding cards to monitor the status of their flight in real time.

As most travellers are today equipped with smartphones, Groupe ADP has set up numerous mobility and remote digital tools to guarantee fast, effective access to information. The official website, [www.parisaeroport.fr](http://www.parisaeroport.fr) is available in mobile format and in 11 languages. A Paris Aéroport application can also be downloaded from the Apple Store (iPhone) and Google Play (Android). This application, which has been downloaded over 1.5 million times to date, is regularly updated to better guide passengers before, during and after their journey:

- ◆ supporting the organisation of passenger journeys and stays, whilst saving time: from the home page, a "Mon Assistant de voyage" (My Travel Assistant) functionality enables travellers to customise their experience in one click, by accessing their flight details and obtaining essential information for their path up to the boarding gate: flight status, departure terminal, check-in zone, boarding gate, etc. The Assistant also enables the person to compare the different ways to reach the airport with an estimate of travel time, and tariffs, and to access a selection of commercial offers and services accessible from the departure terminal. The application also enables passengers to reserve airport parking, plane tickets, hotels, luggage protection or a place in a luggage locker;
- ◆ being informed in real time: passengers can access their latest flight information via a notification system on their smartphone (boarding gate, flight status, etc.) and also display the access code for their parking reservation linked to the travel assistant. Similarly, passengers can find all essential information about their journey on Apple Watch. When they arrive at our airports, travellers can obtain the almost instant translation of signalling thanks to the translator integrated into the Paris Aéroport application (from French/English to nine other languages). In addition to the travellers themselves, these functionalities also enable people accompanying them to monitor the status of their flight in real time.

### Rewarding our loyal customers

Since 2016, Groupe ADP has created and developed its loyalty programme, "My Paris Aéroport", accessible from its application and website. It includes almost 438,000 members to date. The free, 100% digital programme is available to everyone. It enables us to get to know our most frequent flyers, to guarantee a customised experience and reward them. The programme notably offers numerous advantages to enrich its members' journey through our airports: free high speed Wi-Fi (20 Mbit/s), permanent discounts and points convertible into 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 and can be added to the passenger's wallet (Apple). My Paris Aéroport is also a connected to the Air France-KLM Flying Blue programme, making it possible to convert the loyalty points earned into Flying Blue miles.

## Offering a wide range of on-line services

Paris Aéroport makes available to passengers a very broad range of services that can be reserved on-line, from its official website and its application, making Groupe ADP one of the most innovative players in this area.

**For travellers departing from Paris:** they can reserve their flights, hotels and car rental before their journey from wherever they are in the world, using the website [www.parisaeroport.fr](http://www.parisaeroport.fr), or the Paris Aéroport application, thanks to our partnership with the MisterFly platform. Passengers can also reserve several luggage options (simple luggage protection or monitoring using an RFID chip thanks to SafeBag, Luggage Locker with Bagages du Monde at Paris-Charles de Gaulle, etc.), reserve parking spaces if they come to the airport with their vehicle and more.

**For travellers arriving in Paris:** via our on-line boutique, the departure services indicated above are available, along with the purchase of public transport tickets (Le Bus Direct, RATP buses, RER, etc.) to leave our airports and the reservation of numerous activities to enjoy the best of the Paris. For example, it is possible to purchase the Paris Museum Pass (giving access to some 50 museums and monuments), tickets for the Château de Versailles and cruises on the Seine or tourist bus visits, in just a few clicks via our website or mobile application.

Lastly, travellers who want their luggage taken from the airport to their place of residence (hotel, etc.) – and vice versa – can reserve the luggage delivery service on-line.

## Welcoming all our customers

Groupe ADP has started to roll out its welcome and information programme, *Bienvenue à Paris* (Welcome to Paris). From their arrival in Paris-Orly or Paris-Charles de Gaulle, travellers can be informed by numerous agents all along their path, before and after passport controls, who come to meet them proactively and make their journey through our airports as serene as possible.

Dedicated reception and information counters are also located in all our terminals for persons with reduced mobility to offer personalised support up to the boarding gate.

Since 2017, numerous actions and initiatives have been taken to improve the welcome by our staff, promote customer culture to the entire airport community, in order to mobilise all players around shared quality objectives (bringing together security personnel, companies, assistants, the French border police, etc.). This is the case with our "Customer Attitude" project which aims to enable each employee to embody our *Paris vous aime* promise to all customers through actions, words and attitudes consistent with our values of service (warmth, daring, elegance and care).

In order to offer "à la carte" customised support for our travellers, Paris Aéroport offers the My Conciergerie service for departures, arrivals or connections. This premium service offers personalised support up to the aircraft door (luggage assistance, duty-free shopping, passage through security checks, etc) and in the passenger's language (including rarer languages like Cantonese, Mandarin, Russian, Japanese and so on.) Information and quote requests can be made from the Paris Aéroport website.

Lastly, information counters entirely dedicated to tourist and cultural information operated in partnership with the Paris area Regional Tourism Committee welcome travellers and share advice about their stay in Paris.

## Guaranteeing the best experience for our travellers

Paris Aéroport does its utmost to facilitate access to its two airports, to and from Paris. In addition to Roissybus and Orlybus, le Bus Direct is an example of a premium service offered jointly with Keolis: air-conditioned buses, wifi and USB ports on board, luggage services at the stations, real-time information about wait times and any potential disruptions available on [www.lebusdirect.com](http://www.lebusdirect.com) and at each stop, the possibility of downloading tickets to their smartphone.

On arrival at our airports, travellers can find a wide range of practical services:

- ◆ La Poste post offices specifically created for passenger needs: stamp machines available 24/7 for letters and parcels, an assortment of accessories for mobile telephones, La Poste iconic souvenir objects for last-minute gifts and even rental of small private meeting rooms;
- ◆ SAFE BAG: the specialist in luggage protection is located in all public zones close to the check-in counters;
- ◆ A luggage storage is located above the TGV station at Paris-Charles de Gaulle: the sales team is available for passengers, to look after their luggage and clothing, or provide advice for the purchase of luggage or cages authorised for animal transport. Parents of young children can even rent pushchairs or car seats for their stay in France;
- ◆ Photomaton cabins enable documents to be printed from passenger smartphones.

In each boarding hall, passengers, whatever their desires and the time they have available, can relax thanks to a wide range of free services and entertainment areas – with specific attention for families travelling with children. Having gone through the security checks, they have free access to:

- ◆ areas with games suitable for 4-8 year olds, in themes evoking bright Parisian squares or airports;
- ◆ PlayStation 4 consoles, in partnership with Sony, where young and old can find a wide choice of video games;
- ◆ arcade Gaming areas for the more nostalgic passengers, showcasing the heroes of the first iconic video games of the 1980s;
- ◆ numerous pianos where novice or more accomplished musicians can become concert pianists.

For the more connected passengers, chargebox mobile phone recharging stations are available free of charge throughout the boarding halls, enabling travellers to quickly recharge their electronic devices (smartphones, tablets) before boarding.

For families travelling with children aged 0 to 3 years, a first "baby salon" of 42 m<sup>2</sup> is free to access from the South terminal at Paris-Orly; passengers can let their children sleep (cots), feed them (bottle warmers) and relax. These could be installed in other terminals over the longer term.

In 2018, passengers were able to see major sporting events with the football World Cup, Roland Garros Paris Open, the Tour de France and the Ryder Cup on the 11 sports corner screens and the giant screen of the free Instant Paris Lounge accessible to passengers with long connections at Paris-Charles de Gaulle. The 1,000 m<sup>2</sup> of this lounge, located in hall L of terminal 2E, also offers free access to a library, a KAPLA game area, a large work table, multimedia screens to read the papers, watch films and documentaries, listen to music, a "Chargebox" to safely recharge their electronic devices in a quiet, comfortable and elegant Haussmannian atmosphere. In this same area, a "YOTELAIR" hotel, with 80 rooms including family rooms and rooms specifically designed for persons with reduced mobility lets them sleep in a real bed for a few hours or a night or simply take a shower, not forgetting a restaurant area.



For travellers looking for a quality cultural experience, a Museum Space is accessible free of charge from Gates M of terminal 2E. They can contemplate original works loaned by major French museums, with exceptional exhibitions held throughout the year, in partnership notably with the Louvre and Orsay Museums and the Château de Versailles. Since October 2018, the Museum Space has notably welcomed an exhibition entitled "Dina Vierny - un éclectisme électrique" (an electric eclecticism) which illustrates the life and collection of an extraordinary person to whom Paris owes the creation of the Maillol Museum.

### Ensuring efficient passenger flows

Paris Aéroport has made reducing waiting times one of its major everyday commitments. Once again this year, the waiting times before security checks at Paris-Orly and Paris-Charles de Gaulle did not exceed 10 minutes in 90% of cases.

It is essential to inform passengers in real time about the estimated waiting times: this is done by a display system, used at most security screening checkpoints in both airports, to enable travellers to see their time to pass the controls before they arrive in the zones.

To better support families travelling with children, family security screening checkpoints with facilitated access were once again set up during school holidays. Events are proposed including the distribution of original puzzle books to children and the presence of mascots.

To reduce waiting times as much as possible at border controls, which remains a key issue, numerous PARAFE (automatic fast passage at external borders) passport control gates have continued to be deployed in all terminals, with the implementation of the facial recognition PARAFE validated by the Ministry of the Interior. 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, completely free of charge and without any prior enrolment in the scheme, thanks to automatic gates, electronic passports, and facial recognition between the passenger and their passport. The use of this technology aims to ensure more efficient passenger flow through border controls while guaranteeing a very high level of reliability.

## Real Estate

<i>(in millions of euros)</i>	2018	2017	2018/2017
Revenue	265	250	+6%
<i>External revenue</i>	218	208	+4.8%
<i>Internal revenue</i>	47	42	+11.9%
EBITDA	148	209	-€61 M
Operating income from ordinary activities	101	161	-€60 M

### 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 (355 hectares), 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 59% of external revenue in 2018. Leases are mainly long term, thus limiting rental risk. At 31 December 2018, over 48% 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 4,624 hectares are reserved for aviation, 820 hectares are areas that cannot be exploited, and 1,242 hectares are dedicated to real estate activities.

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

<i>(in hectares)</i>	Aeronautical	Diversification	Total
<b>Surfaces dedicated to real estate</b>	<b>436</b>	<b>806</b>	<b>1,242</b>
Land reserves	51	304	355
Land used for ADP buildings	208	261	469
Land leased to third parties	177	241	418

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 355 hectares and are directly available (62%) 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 (16%).

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 56 hectares at end-2018 to 355 hectares compared to 411 hectares in 2017, mainly due to plots that used to be conserved for biodiversity (46 hectares) as well as floor area pre-emptions for aeronautical activities (9 hectares). Potential constructible land at end-2018 is estimated to be some 1,543 million m<sup>2</sup>.

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 2018, the assets dedicated to real estate activities were valued at €3,048 million, of which €2,624 million in investment buildings as detailed in Note 6.3.2 of the Group's consolidated accounts. This valuation includes nearly €423 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.

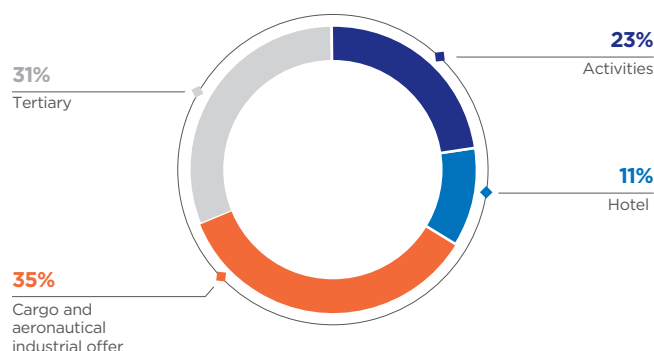
The value of land reserves available for building (355 hectares) was €307 million at 31 December 2018.

According to the Group's estimates:

- ◇ by 2025, development projects could concern around 450,000 m<sup>2</sup> of surface areas available for building;
- ◇ almost 70% of the construction potential at end-2018 will still be available in 2025.

These estimates for real estate developments by 2025 do not in any way constitute targets. They are insights into the Group's medium-term vision, which supplement the targets of the Connect 2020 plan, which remain unchanged.

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	Orly	CDG	LBG & AAG	Total	%
Land reserves reminder (ha)	164	138	53	355	
Building potential ('000 m <sup>2</sup> )	758	564	221	2	100%
Projects signed/under construction at the end of 2018 (built-up area)	32	123	25	180	12%
Projects identified up to end of 2025 <sup>1</sup>	158	118	-	276	18%
Building potential remaining	568	323	196	1	70%

<sup>1</sup> Built-up areas.

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

## Leased buildings

Usable commercial space at the end of 2018 totalled 985,500 sq.m. The occupancy rate is over 90% and The cost of financial vacancy is 94%.

Leased surfaces break down as follows:

<i>(in thousands of sqm)</i>	Aeronautical	Diversification	Total
<b>Rented places</b>	<b>488</b>	<b>498</b>	<b>986</b>
Cargo buildings	199	6	205
Maintenance hangars	232	0	232
Business and logistics premises	16	93	109
Offices	24	166	190
Internal rentals	6	152	158
Other buildings	11	81	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: spread out over three complementary platforms within airport cities, Groupe ADP's assets are developed with a view to sustainability criteria (eco-design, eco-construction) and with very demanding certification targets (HQE "Excellent", BREEAM "Very Good");;
- ◆ 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: thanks to the completion of CDG Express and the Grand Paris Express, line 17 to Paris-Le Bourget in 2024 and Paris-CDG in 2030, line 14 to Paris-Orly in 2024 and line 18 in 2018.

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.

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.

2018 was marked by the realisation of seven projects as an investor. These are:

- ◆ at Paris-Charles de Gaulle airport: the delivery of the Baïkal office building (12,900 m<sup>2</sup>) in the Roissy-pole Est area, the continued building work on a 267 room, 4 star hotel under the Ininside by Melia brand (2019) and the launch of a Courtyard / Residence Inn by Marriott complex with 323 rooms (2021) in Roissy-pole Ouest and the launch of the 22,000 m<sup>2</sup> SC4 Cargo Station (2020) in the Cargo City;
- ◆ at Paris-Orly airport: the delivery of the Roméo business park (22,000 m<sup>2</sup>) in the cargo area, the launch of the 23,500 m<sup>2</sup> Belaïa office building (2020) jointly with Covivio (formerly Foncière des Régions);
- ◆ at Paris-Le Bourget airport: the joint construction project with André Chenue SA (Horus Finance Group) of an art conservation centre of 24,800 m<sup>2</sup> (2020) located in the eastern part of the 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 built-up land, on assets whether related to airport activities or not, in order to expand our 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 offsetting this by external biodiversity projects. Furthermore, Groupe ADP has high-rental upside lease potential until 2045 as legacy land leases expire. The Group has the possibility when leases end, as provided for in current land leases, to require either the demolition of the assets to enable a new programme, or to take over ownership of the assets and receive rents for built-up

land that are higher than the previous land rents. By 2045, the estimated rental upside is around €54 million for expected investments of some €192 million.

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, the takeover of ownership of assets as leases expire and the renegotiation of existing contracts. In parallel, refurbishing existing holdings will cost €160 million and 100,000 sq.m. of obsolete buildings will be demolished. The planned investments will be to the tune of a total of €600 million, of which €300 million (including subsidiaries and debts) as investor, €185 million for maintenance, servicing of assets and asset management policy, and €100 million as developer.

## Perspectives

On 4 April 2019, before an Investors' Day, Groupe ADP published insights into its real estate ambitions by 2025 and beyond.

For this horizon, the Group estimates that it may invest around €735 million for the creation or recovery of assets that could generate around €74 million/year in additional rent according to the Group's estimates:

### 1 Cargo: €185 million in CAPEX and €24 million in additional annual rent

Between 2018 and 2025, the Group is considering increasing the surface areas dedicated to the Cargo activity by 100,000 m<sup>2</sup> (+15% of the total) systematically in "ADP investor" mode, with the exception of the extension to the FedEx hub

In addition, over the 2010-2025 period, a +51% increase in rent is expected, significantly higher than the surface areas created (+28%), notably thanks to this new "ADP Investor" positioning;

### 2 Hotels: €184 million in CAPEX and €16 million in additional annual rent

By 2025, the Group wants to maintain a systematic positioning as investor for hotel projects. By 2025, ADP's ambition is to be the owner of more than 1,580 rooms, or 24% of the hotel offering serving its Parisian airports;

### 3. Business parks: €64 million in CAPEX and €11 million in additional annual rent

By 2025, the Group should be faced with a structural need for business surface areas directly related to the development of the support functions due to the increase in air traffic. Thus, between 2019 and 2025, the expected increase amounts to 60,000 m<sup>2</sup>, systematically in "ADP Investor" mode;

### 4. Offices: €292 million in CAPEX and €21 million in additional annual rent

The Group's tertiary offering should mainly develop at Orly by 2025, notably thanks to the certain arrival of line 14. Other projects are also expected, such as the programming of a 70,000 m<sup>2</sup> tertiary campus to the North of Orly by 2024, adjacent to a Grand Paris Express station;

### 5 Industrial aeronautical offering: €11 million in CAPEX and €2 million in additional annual rent

By 2025, the Group should be faced with stagnating demand for hangars, offset nevertheless by the momentum in engine and equipment maintenance.

These outlooks by 2025 do not constitute new forecasts and targets. They are the Group's preliminary medium-term vision in terms of real estate, which supplements the unchanged targets of the Connect 2020 plan.

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## Breakdown of real estate projects as at 31 December 2018

Airport	Segment	ADP Role	Operator	Project	Opening	Floorspace (in m <sup>2</sup> )
CDG	Diversification	Developer	Sogafro/SDV	Offices and warehouses	2016	37,500
CDG	Aeronautical	Investor	Aerolima	Equipment maintenance centre (tranche 1)	2016	4,300
CDG	Aeronautical	Developer	Aérostructure	Maintenance	2016	19,000
ORY	Diversification	Developer	Accor	Hotels	2016	7,700
CDG	Aeronautical	Investor	TCR	Equipment maintenance centre (tranche 2)	2017	1,300
CDG	Diversification	Investor	Registered office	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	7,100
ORY	Diversification	Developer	RSF	Employee residence	2017	3,700
CDG	Diversification	Investor	Divers	Dôme properties	2017	19,500
CDG	Diversification	Developer	Audi	Showroom	2018	4,600
CDG	Diversification	Developer	Holiday Inn	Hotels	2018	10,000
ORY	Diversification	Investor	Roméo	Offices and warehouses	2018	22,000
CDG	Diversification	Investor	Baikal	Offices	2018	12,900
CDG	Diversification	Developer	Aélia	Warehouse	2018	6,000
CDG	Diversification	Developer	VW	Concession	2018	2,200
CDG	Diversification	Investor	Divers	Offices	2018	700
<b>TOTAL PROJECTS COMMISSIONNED AT THE END OF DECEMBER 2018</b>						<b>205,200</b>

Airport	Segment	ADP Role	Operator	Project	Opening	Floorspace (in m <sup>2</sup> )
ORY	Diversification	Developer	Bio C bon	Warehouse	2019	12,500
CDG	Diversification	Developer	Moxy	Hotels	2019	7,900
ORY	Diversification	Developer	Ibis styles	Hotels	2019	6,400
CDG	Aeronautical	Developer	FEDEX	Extension	2019	48,400
ORY	Diversification	Developer	Grand frais	Warehouse	2019	2,000
CDG	Diversification	Investor	Innside	Hotels	2019	11,400
ORY	Diversification	Developer	Loxam	Divers	2019	500
LBG	Diversification	Investor	HEKA Chenue	Art facility	2019	24,800
ORY	Diversification	Investor	B2 Belaïa	Offices	2020	23,500
<b>Ongoing projects</b>						<b>137,400</b>
CDG	Aeronautical	Developer	FEDEX	GSE areas	2019	42,600
CDG	Aeronautical	Investor	SC4	Offices and warehouses	2020	21,900
<b>Total ongoing projects - building permit obtained or under instruction (delivery by 2020)</b>						<b>64,500</b>

## 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 94% of the cargo operating area at 31 December 2018.

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. The Cargo business of the Paris-Charles de Gaulle Airport was marked in 2018 by the signature of an extension promise for the construction of materials storage areas phase 1 for 42,600 m<sup>2</sup> (delivery during 2019), i.e. until 2048 and the continuation of the "Extension 2" project for 48,400 m<sup>2</sup> (opening scheduled in 2019);
- ◆ 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:
  - ◆ the return to ownership of the assets located on the front line (zone comprising the warehouses closest to the aircraft, at the border between airside and landside zones) with Groupe ADP's continued development of investments in new leading assets dedicated to cargo operators, with the launch in 2018 of a new 22,000 m<sup>2</sup> SC4 cargo station connected to the runways and already marketed at 70% as of 31 December 2018; We can also add the launch of studies for three cargo stations of 22,000 m<sup>2</sup> (Dahlia project), 36,000 m<sup>2</sup> (Duo project) and 12,000 m<sup>2</sup> (Midi project),
  - ◆ brainstorming on the return to ownership of the assets located on the cargo front line or with direct access to runways that are reaching contract expiry;
  - ◆ renovation and increased density of Cargo City and optimisation of the operating processes, including a vast programme staggered up to 2021, to renovate the roads comprising the main access and circulation roads within Cargo City and improving lighting by replacing lights by new LED lighting.

### Tertiaire

The strategy for developing real estate for the service sector is based around these key projects:

- ◆ the development of the Airport City in the Roissy-pole business district, the first in the world (384,000 m<sup>2</sup> of offices, hotels, stores and services) which now includes 260,000 m<sup>2</sup> of offices and 3,181 hotel rooms. This district, which is connected to the various Paris-Charles de Gaulle terminals, notably consists of offices: the Continental Square complex with a surface area of 50,000 m<sup>2</sup>, the Altaï building measuring 13,250 m<sup>2</sup>, the entire property complex of the Dôme for 39,000 m<sup>2</sup> and the complex comprising the new registered office of Groupe ADP totalling 12,900 m<sup>2</sup>, the "maison de l'environnement" totalling 5,200 m<sup>2</sup> and the Baïkal building with 12,900 m<sup>2</sup>. With the launch of the future terminal 4 to the north of Roissy-pole, new property prospects will open up;
- ◆ the opening of a Holiday Inn Express (305 rooms) in 2018 in the Roissy-pole Ouest area of Paris-Charles de Gaulle airport and the launch of Moxy, a 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 hotel brands with innovative concepts.

In line with its new property ambition, Groupe ADP, designer of "airport cities", in addition to its role as developer, is investing in a landside hotel project with the construction of a 267 room 4 star hotel under the Innside by Melia brand (delivery early 2019) and the launch of a Courtyard / Residence Inn by Marriott complex with 323 rooms (2021) both located in the western area of Roissy-pole at the heart of Paris-Charles de Gaulle airport and next to its terminals. With the Melia and Moxy hotels, the airport's accommodation capacity will increase from over 3,100 rooms in 2018 to over 3,700 rooms by 2019;

- ◆ the launch of the "Play Your Airport" global challenge in 2018 will reinforce the attractiveness of Roissy-pole. For students, companies, travellers, Group employees and other employees of Paris-Charles de Gaulle airport, this innovation competition will revolutionise the experience of thousands of employees and travellers from all over the world, by transforming Roissy-pole into a more pleasant and more dynamic living place, with new service areas, in line with Groupe ADP's strategy to improve the user experience;
- ◆ Aéroville, developed by Unibail-Rodamco, is a regional shopping centre covering 110,000 m<sup>2</sup> 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 the installation in 2018 of Audi / Audi Sport (4,600 m<sup>2</sup>) and Volkswagen / Volkswagen Light Commercial Vehicles (2,150 m<sup>2</sup>) car dealerships, next to the Aéroville shopping centre. These high quality facilities prove the Group's capacity to attract new players to 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 m<sup>2</sup>, which was completed in 2016-2017, developed by AccorHotels including a Novotel, an Ibis Budget and an extension to the existing Ibis (410 additional rooms in all). The completion 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. In 2018, Groupe ADP as investor launched a call for projects with developers and hotel operators for the A4 plot in Cœur d'Orly, at the foot of the gateway for a diversified hotel complex with around 700 rooms (2022). Groupe ADP is also a 50% co-investor in the Cœur d'Orly office and retail project, alongside the Covivio (formerly Foncière des Régions). Designed by architect Jean-Michel Wilmotte, the first office building, Askia (19,500m<sup>2</sup>), was delivered in 2015. It meets the NF-Bâtiments tertiaires HQE® "Excellent" and BREEAM® "Very Good" energy efficiency standards. It is connected to the existing geothermal network used by the airport. Following the commercialisation of Askia, a second office building was launched in Cœur d'Orly, the Belaïa (23,500 m<sup>2</sup>) with an estimated delivery in 2020. The Cœur d'Orly gateway, commissioned in 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. To the north of Cœur d'Orly, after the deconstruction of hangar HN6 launched in 2018, next to the "Pont de Rungis" station on the Grand Paris Express (2024), 6.5 hectares will be freed-up enabling Groupe ADP to envisage, after studies, a tertiary campus of around 80,000 m<sup>2</sup>.

To support traffic growth at Paris-Orly airport, a substantial development strategy involving the diversification of hotel capacity across all platforms will almost double the current hotel offering at Paris-Orly by 2025. Local shops may also be opened in proximity to the platforms.

The 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.

At end 2018, six buildings had been completely renovated. 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. 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 at Hall 3, that will be demolished and rebuilt consequently.

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. A first tranche of development and marketing, covering a first phase of 1 to 2 ha is planned for 2019.

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 SA (subsidiary of the Horus Finance group), as co-investor and co-operator, signed a construction lease, a property development contract with GSE and off-plan lease commitment for setting up an art conservation centre covering a surface area of 24,800 m<sup>2</sup> located in the eastern part of the Paris-Le Bourget airport. Work began in September 2018 with delivery planned for Q1 2020. 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. In order to accelerate the completion of this



project, Groupe ADP plans to sell 3 hectares of land in the project to an operator in 2019. 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.

A first development phase, consisting of developing a small activity park on 3 hectares of land available immediately, was subject to interest from several property developers.

## 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)	
	2018	2018/2017	2018	2018/2017	2018	2018/2017
ADP International	188	+€173M	37	+€49M	3	-€41M
Of which AIG	175	+€175M	54	+€54M	10	+€10M
ADP Ingénierie	58	+€7M	1	+€11M	0	-€13M
TAV Airports <sup>1</sup>	1,166	+€550M	548	+€268M	320	+€101M
TAV Construction <sup>2,3</sup>	-	N/A	-	N/A	(0)	+€12M
Schiphol Group <sup>2</sup>	-	N/A	-	N/A	18	-8.1%
Others	-	N/A	(54)	-€50M	(11)	-€8M
<b>TOTAL</b>	<b>1,412</b>	<b>+ €730 M</b>	<b>585</b>	<b>+€333 M</b>	<b>339</b>	<b>+€153 M</b>

<sup>1</sup> Consolidation of TAV Airports from 1 July 2017 – see Chapter 9, "Highlights of the 2017 financial year".

<sup>2</sup> Associate.

<sup>3</sup> Disposal of the interest in TAV Construction on 20 July 2017.

### The steering of international activities, with ADP International

Groupe ADP has 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 served over 281 million<sup>1</sup> passengers in 2018 and 25 airports worldwide (at 31 December 2018).

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

ADP International benefits 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, namely through a 14%-18% share in the Group's operating income from ordinary activities.

In 2018, thanks to the full consolidation of TAV Airports and AIG (Aman airport in Jordan), this contribution to the Group's operating income from ordinary activities amounts to around 27%.

Strategic discussions carried out at the end of the year and completed at the beginning of 2019 have reaffirmed Groupe ADP's ambition to be a world leader in airport management with 35 to 40 airports managed worldwide by 2025 (vs. 25 airports at 31 December 2018) and a forecast

of 400 to 450 million passengers by that date (vs. 281 million passengers in 2018). This ambition will bring the share of the Group's international activities to around 35-40% of the operating income from ordinary activities by 2025. Lastly, all the Group's international airports aim to achieve an Airport Service Quality (ASQ) rating greater than or equal to 4.0 in 2025.

This medium-term vision on which the Group communicated during an Investors' Day at the beginning of April 2019 does not constitute a target as such, but supplements the Connect 2020 plan, for which the targets are confirmed.

This ambition is based on the following five strategic focuses:

- ◆ offer a unique value proposal based on synergies with the Group in terms of expertise and innovation;
- ◆ capitalise on ADP Ingénierie and the service companies to reinforce value creation;
- ◆ focus on the identified geographical zones to accelerate the Group's international expansion;
- ◆ acquire airport groups to accelerate growth;
- ◆ manage the asset portfolio in terms of risk/returns.

### 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 7<sup>th</sup> European airport for cargo traffic. ADP International has specific

<sup>1</sup> Passenger traffic data for airports managed by TAV Airports are included in full, in accordance with TAV Airports' financial communication practices. However, following the 49% stake taken by TAV Airports in Antalya, the traffic at this airport has been included in full since January 2017 for the purpose of this analysis, whereas TAV Airports has only included it since May 2018.





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 (SOGEAC), in addition to a technical support contract for the management of the airport that is valid until November 2019. ADP International is assisting SOGEAC with work to upgrade its facilities. The airport welcomed 0.5 million passengers in 2018, an increase of 7.9%;
- ◇ 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 2018 for a period of one year until 31 December 2019. The Hajj terminal welcomed 7.3 million passengers in 2018, a slight increase of 8.8% compared with 2017;
- ◇ Jordan: a 51% majority stake in the Jordanian company AIG, which holds the concession for Queen Alia International Airport in Amman, since April 2018. Before this date, ADP International had held a 9.5% stake in AIG 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 2<sup>nd</sup> phase bringing the 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 operating the terminal for the period of the concession. The airport welcomed 8.4 million passengers in 2018, an increase of 6.4%;
- ◇ Republic of Mauritius: a 10% stake in ATOL (Airport Terminal Operations Limited), the company holding the concession for the new terminal at the Republic of Mauritius International airport, since 2008. With a 15 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 3.9 million passengers in 2018, an increase of 3.5% compared with 2017;
- ◇ Croatia: the consortium ZAIC-A Ltd, the sole shareholder of the company holding the concession, MZLZ (Medunarodna Zracna Luka Zagreb d.d.), bringing together ADP International (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 m<sup>2</sup> 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 3.3 million passengers in 2018, an increase of 7.9%;
- ◇ 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 m<sup>2</sup>, 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 23.3 million passengers in 2018, an increase of 8.8% compared with 2017, 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 1.2 million passengers in 2018, an increase of 13.8% compared to 2017.

## Recent development

### Havana airport development and operation plan

Groupe ADP, through Aéroports de Paris Management in association with TAV Airports and in a consortium with Bouygues Bâtiment International, a subsidiary of Bouygues Construction, after being informed on 4 August 2016 by an ACN<sup>1</sup> press release that the Cuban authorities had selected it to enter into exclusive discussions about the development project for the José Martí International airport of Havana, signed an agreement with the Cuban authorities defining the steps and works to be carried prior to the signing of a concession agreement.

The 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.

06

## ADP Ingénierie

### Presentation

ADP Ingénierie, a wholly owned subsidiary of ADP International, is a global leader in airport design and consulting. Its core activity is advising and supporting airport players throughout the airport's life cycle, and designing and undertaking international development or infrastructure transformation projects internationally. Its teams of experts can support a project from the initial design to the operational phases, bringing together multiple skills, from engineering to architecture, studies and works supervision, with a 360° approach to the airport's life cycle during the following phases:

- ◇ upstream planning and programme phase, by conducting several types of technical and economic studies (feasibility studies, traffic forecasts, dimensioning of facilities, site plans) for private and public investors;
- ◇ 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);
- ◇ detailed design and preparation of contractors' tender documents phase, in order to define in detail technical specifications, the technical features of the facilities, the projected 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;

<sup>1</sup> *Agencias Cubanas de Noticias.*

- ◆ 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 seeks to be a long-term partner for its clients by anticipating their needs. The company has over 700 references in over 130 countries and more than 18 years experience and it currently manages over 130 projects.

The company primarily works with international customers: over 85% of 2018 order taking was 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 growing from its base in the 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 2018, approximately 400 employees from 46 different nationalities worked in 20 countries.

At the end of 2018, ADP Ingénierie's backlog amounted to €75 million. Order taking has accelerated since 2017. Asia, the Middle East and Africa account for most of this increase.

ADP Ingénierie also ensures the coordination and control of the business generated by Merchant Aviation, an airport consulting firm based in the USA, which was acquired by ADP International. Several ADP Ingénierie employees will reinforce Merchant Aviation's US team to respond to several calls for tender and develop the engineering and consulting activity in North America.

## Main projects underway in 2018

### ARCHITECTURE AND MEGA TERMINALS

- ◆ Asia-Oceania:
  - ◆ Nepal: Tribhuvan international airport, Kathmandu: end of the contract for designing the new international terminal (95,000 m<sup>2</sup>, 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 3<sup>rd</sup> runway and taxiways and related equipment;
  - ◆ Vietnam: ADP Ingénierie won a contract to design the new Long Thanh (LTIA) international airport in Ho Chi Minh City. This contract was won as part of an international call for tenders launched by the national Vietnamese operator ACV (Airports Corporation of Vietnam) to which ADP Ingénierie responded jointly with Vietnamese and Japanese partners, including Japan Airport Consultants, the consortium leader. This new contract covers the first phase of the airport's development with the aim of welcoming 25 million passengers per year, with the construction of a runway, the first passenger terminal module, the control tower and all the support installations required for the proper functioning of the airport;
  - ◆ Philippines: ADP Ingénierie is responsible for the design master plan for a Greenfield airport. Neither the player for which ADP Ingénierie is the sub-contractor, nor the location can be communicated at this stage given the other on-going calls for tender for the same project.
- ◆ Central Asia - East Africa - Middle East:
  - ◆ Sharjah: During the Dubai Airport Show, in the spring, ADP Ingénierie was awarded the design of the renovation and extension of the passenger terminal for Sharjah international airport (UA). This airport notably welcomes the growing activity of Fly Dubai, Emirates' low-cost company;
  - ◆ 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);

- ◆ Tanzania: ADP Ingénierie signed the resumption of supervision of the works for the new passenger terminal at Abeid Amani Karume international airport with the Zanzibar airport authorities;
- ◆ Senegal: ADP Ingénierie and Blaise Diagne international airport signed a contract for the studies on new aircraft maintenance (MRO) hangars;
- ◆ India: ADP Ingénierie signed its first contract in this country, with the authorities of Andhra Pradesh State. ADP Ingénierie will work on two aspects: design consulting and operations & maintenance.
- ◆ Europe - Maghreb - French-speaking Africa - Americas:
  - ◆ Benin: new airport of Cotonou in Glo Djigbe. Delegated project management. Estimated capacity of 2.5 million passengers;
  - ◆ Chile: Comodoro Arturo Merino Benitez airport. Continued undertakings 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 in Ho Chi Minh City. Study of the capacity for extension of the existing airport. Its current traffic of approximately 36 million passengers has seen growth of more than 20%;
  - ◆ Macau: A new contract was signed with the Macau Civil Aviation Authorities (CAAM): ADP Ingénierie was awarded the updating of the ground plan for Macau International Airport;
  - ◆ China: Beijing International airport. After a successful simulation study of flows of all types, with the airport facing increasing saturation, ADP Ingénierie was awarded a similar study for approach and departure flows, named Airspace simulation.
- ◆ Central Asia - East Africa - Middle East:
  - ◆ Bahrain: Manama International airport. In addition to its supervisory role to oversee the ongoing construction of new infrastructure, ADP Ingénierie was awarded the study on the transformation of the airport's runway to category III;
  - ◆ Mozambique. ADP Ingénierie was awarded the preparation of the master plans for the country's leading three airports (Maputo, Beira and Pemba) by ADM (Aéroports du Mozambique) following a very competitive international invitation to tender.
- ◆ Europe - Maghreb - French-speaking Africa:
  - ◆ 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.



## SYNERGIES WITH GROUPE ADP

- ◆ At Paris-Orly: in 2018 ADP Ingénierie conducted a mission alongside DIA for the supervision of the extension works for Orly Ouest Hall 1, commissioned at the start of the summer.
- ◆ At Paris-Charles de Gaulle:
  - ◆ continuation of the supervision of the deployment of the luggage sorting systems of satellites S3 and S4, with S3 having been commissioned mid year;
  - ◆ transition to the supervision phase of works for the renovation of terminal 2B and the creation of the BD link.
- ◆ Building Information Modelling (BIM): technical assistance and modelling services of the future or existing buildings.
- ◆ Innovation: continued exchanges and cooperation by ADP Ingénierie's innovation teams with Groupe ADP's Innovation Hub. Signature of an exclusive partnership with Safetyline. Cooperation with InnovATM as part of the Group's investment in this start-up specialising in aircraft navigation.
- ◆ Organisation: transfer of ADP Ingénierie's accounting to Groupe ADP's single accounting centre.
- ◆ Ethics: joint implementation of ADP International's new compliance policy: diffusion, training, support and implementation of the Ethics and Compliance alert system.

## Strategy

### THE DEVELOPMENT AND REORGANISATION PROJECT DECIDED IN 2017 HAS SHOWN RESULTS

2018 is the first full year of the implementation of the Company's development and reorganisation plan decided in 2017.

The ramp-up of the three business units (BU) which characterise the major features of this reorganisation continued, with a marked effort to reinforce the BU located in Hong Kong. The three BUs reinforced their commercial development teams and teams of experts in a 360° approach, i.e. all expertise, throughout the airport's life cycle.

At Corporate level, the Deputy Executive Direction for Commercial Strategy and Development, the Department of Innovation Transformation & Risks and the Communication Department were set up. These departments have developed tools to support the implemented development strategy: CRM, change in ERP, new digital tools and products for human resources and communication, new series of brochures, etc.

More globally, a significant number of processes were redesigned, the Risks, Compliance, Quality and Communication policies were reinforced and the activity and project steering was adjusted.

All these actions have contributed to a significant improvement in the service provided to our customers.

### ORDER TAKING HAS ALMOST DOUBLED COMPARED TO 2016

Order taking in 2018 was almost double that of 2016. This trend should be amplified in 2019.

Whereas the Company seemed to experience a slow-down in its business in the Middle East at the end of 2017, the signature of major contracts reflects a recovery in business: a contract with the Sharjah Emirate and the Kingdom of Bahrain (transformation of the runway at Manama International Airport to category III), for example.

ADP Ingénierie's presence in Africa has enabled it to win contracts with Ethiopia and Kenya. ADP Ingénierie also signed the resumption of supervision of the works on the new passenger terminal with Zanzibar, master planning with Mozambique and especially with Benin for the new Cotonou airport.

A number of projects in China and Asia have continued (Daxing, Chengdu, Bangkok, Taipei and others), the significant contract signed with the Philippines to design a new airport has broadened ADP Ingénierie's scope of intervention the Asia-Pacific zone. Promising contracts have been

recorded in Australia and New Zealand. The Company has also won two major successes in Vietnam, for the existing Tanh Son Nhat airport and the future second airport in Ho Chi Minh City. ADP Ingénierie has brought the company great success in this zone undergoing intensive development. We can also add the signature of the first contract for Nellore airport in India, which marks the start of our intervention in this country.

Merchant Aviation and ADP Ingénierie were selected for several contracts for American airports. They represent the opening of the American market with numerous opportunities for Groupe ADP.

Lastly, alongside these significant contracts that often involve engineering, ADP Ingénierie has signed a large number of contracts of varying importance, throughout the world, under Strategic Planning, thus making its ambition to support airports throughout their life cycle a reality.

### THE GROWING IMPORTANCE OF CONSULTING FOR AIRPORTS THROUGHOUT THEIR EXISTENCE

The service offering, for which renewal began in 2017, proposes aggregates of expertise to not only provide the most appropriate and detailed responses to customers, but also to provide customers with Strategic Planning and, more broadly, Consulting skills.

This growing importance of consulting in view of the current and future challenges for airports has led ADP Ingénierie to develop new skills, for example in the areas of energy and the environment, and to consider the acquisition of new software tools to process large amounts of data (big data).

### GREATER GEOGRAPHICAL AND CULTURAL PROXIMITY TO CUSTOMERS

This dual ambition of long-term partnership and support at each stage of the airport life cycle has led to ADP Ingénierie's continued policy of geographical and cultural proximity with its current and potential customers.

In addition to the key contribution from Merchant Aviation in the North American market, ADP Ingénierie has opened an establishment in Cotonou, Benin, and undertaken the administrative and legal procedures to also open in Spain, Thailand, Vietnam, Philippines and to create a subsidiary in India.

## TAV Airports

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

### Description of TAV Airports

TAV Airports is a leading airport operator in Turkey. It directly manages 14 airports throughout the world:

- ◆ Istanbul Atatürk (for which TAV airports operated commercial flights until 6 April 2019, the date of the transfer of operations to the new Istanbul airport), Ankara Esenboga, Izmir Adnan Menderes, Antalya Gazipasa;
- ◆ Milas-Bodrum in Turkey, since 2014 for the domestic terminal and October 2015 for the international terminal;
- ◆ Antalya in Turkey, since May 2018, jointly controlled with Fraport;
- ◆ 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.

With 152 million passengers welcomed in 2018, TAV Airports' traffic saw growth of 31.4% in 2018, notably thanks to the acquisition of Antalya. Taking into account Antalya from 1 January 2017, the Group's traffic growth was 10.4% compared to 2017.

TAV Airports' main airport and Europe's 5<sup>th</sup> largest airport, Istanbul Atatürk welcomed 68 million passengers in 2018, up 6% compared to 2017. 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. TAV Airports also manage the commercial areas and services at Riga international airport in Latvia. With a presence along the entire airport services value chain, the Group's integrated business 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:

- ◆ 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;
- ◆ TAV O&S, which manages airport lounges and VIP services at wholly-owned airports;
- ◆ TAV Technologies, a wholly-owned company that manages airport IT systems;
- ◆ TAV Security, which provides security services and is wholly-owned.

◆ TAV Airports' revenue amounted to €1,166 million in 2018, its EBITDA was €548 million and net income attributable to the Group of €75 million (as presented in Groupe ADP 2018 financial statements).

## Governance

At 31 December 2018, TAV Airports' shareholder structure was as follows:

<i>Shareholders</i>	<b>% of capital</b>
Groupe Aéroports de Paris <sup>1</sup>	46.1%
Tepe Insaat Sanayi A.Ş.	5.1%
Sera Yapı Endüstrisi ve Ticaret A.Ş.	1.3%
Other floating securities	3.2%
Free float	44.3%

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

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 for 2007 +5% pa	
Izmir A. Menderes	BOT + Concession lease (Dec. 2032)	100%	Terminal	€15 €2.5 (Transfer)	€3	-	€29m starting from 2013
Gazipasa Alanya	Concession lease (May 2034)	100%	Airport	€101	TL7.5 2	-	\$50,000 + VAT
Milas Bodrum <sup>4</sup>	Concession lease (Dec. 2035)	100%	Terminal	€15	€3	-	+€28.7m + VAT <sup>3</sup>
Antalya	Concession (Dec. 2024)	49% <sup>4</sup>	Terminal	€15 €2.5 (Transfer)	€3	-	100.5 M€ + VAT
Tbilisi	BOT (Feb. 2027)	80%	Airport	US\$24	US\$6	-	
Batumi	BOT (Aug. 2027)	76%	Airport	US\$12	US\$7	-	
Monastir & Enfidha	BOT + concession (May2047)	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 <sup>7</sup>	-	-	4% of the gross annual revenue <sup>5</sup>
Medinah	BOT + concession (2037)	33%	Airport	SAR 87 <sup>6</sup>	-	-	54.5% <sup>7</sup>
Zagreb	BOT + concession (April 2042)	15%	Airport	€15 <sup>8</sup> €4 (Transfer)	€7	-	€2.0-€11.5m fixed 0.5% (2016) -61% (2042) variable <sup>7</sup>

<sup>1</sup> Per-passenger tariffs were revised as of 1 January, 2015.

<sup>2</sup> 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.

<sup>3</sup> A lump sum amount of € 143 million equivalent to 20% of the bid price for TAV Milas Bodrum Airport was paid in August 2014.

<sup>4</sup> The 49% control of TAV airports within Antalya airport give the same governance rights as Fraport, as well as 50% of dividends.

<sup>5</sup> 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.

<sup>6</sup> SAR 87 from both departing and arriving international pax. Pax charge will increase as per cumulative CPI in Saudi Arabia every 3 years.

<sup>7</sup> The concession charge will be realized as 27.3% for the first 2 years that follow the completion of the construction.

<sup>8</sup> International, domestic and transfer passenger service fee of € 10, € 4, and € 4, respectively, prior to April 2014.

## 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.

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. The transfer of commercial flights from Atatürk airport to the new airport took place on 6 April 2019. The compensation for loss of profit due to the early termination of activities at Atatürk airport is currently being assessed by

DHMI and TAV. Independent companies have also been consulted as part of these assessments. TAV expects to receive formal notification of this compensation from DHMI.

## Recent developments

### PLANNED FOOD & BEVERAGES CONCESSIONS AT MUSCAT AND ORLY AIRPORTS

BTA was selected for the catering concession at the new Muscat International airport in Oman and began operations in March 2018. The concession is for a 10-year period and includes the operation of over 15 points of sale (2,735 m<sup>2</sup>).

In 2018, BTA also won the call for tender for the catering concession for the Orly junction. Operations will start in 2019. It is a 10-year contract for 2,200 m<sup>2</sup>.

### PLANNED CONCESSIONS FOR THE LOUNGES IN MUSCAT, COPENHAGEN, FRANKFURT, ZURICH, JFK AND SAN DIEGO AND PRESENTATION OF THE GIS ACQUISITION

TAV Operations services, a wholly-owned subsidiary, won the call for tenders for the 10-year concession for passenger lounges of nearly 3,300 m<sup>2</sup> at the new International Airport of Muscat in Oman. These lounges opened in 2018. The lounges are in addition to the others already opened at the International Airports of Copenhagen, Frankfurt and Zurich. In 2019, TAV Operations services will open lounges in JFK and San Diego in the USA.

In parallel, in November 2018, TAV Operations services signed the contract for the acquisition of 70% of GIS. GIS operates 17 airport lounges, particularly in Europe (notably in Spain) and Latin America (10 lounges in Spain, and also present in Paris, Frankfurt, Rome, Mexico, Sao Paulo, Bogota and Buenos Aires). This operation enables TAV OS to consolidate its position amongst the major airport lounge operators.

### PLANNED SERVICE CONTRACTS FOR THE NEW ISTANBUL AIRPORT AND NEW REGISTERED OFFICE

In June 2018, TAV Airports signed a 15-year contract with Turkish Airlines in order to renew the partnership with TGS (Turkish Ground Services). TGS, 50% owned by HAVAŞ (which is itself wholly-owned by TAV) will renew its position as leader in the ground-handling market for the new Istanbul airport.

ATÜ specialising in Retail & Duty Free and 50% owned by TAV Group, signed two contracts to locate to the new airport: a 10-year contract for the operation of all fashion stores for 1,679m<sup>2</sup>, and a 10-year contract for the sale of local products (Bazaar) for 2,800m<sup>2</sup>.

Lastly, in July 2018, BTA signed a 13-year contract to operate over 4,000m<sup>2</sup> of surface areas dedicated to catering at the new Istanbul airport.

### PLANNED 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. Alongside TAV which owns 66.6% of TAV Tunisia, IFC and the South-African investment fund, PAIDF, respectively own 18.4% and 15.0%.

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, 1.6 million in 2016 and 1.7 million in 2017, compared to 3.3 million passengers in 2014. In 2018, the traffic amounted to 2.5 million passengers (+48%), recovering notably thanks to recommendations to travellers which were reviewed favourably by the UK, Belgium, Scandinavia and the Netherlands since summer 2017.

The concessions have been in structural economic imbalance, leading TAV Tunisia to carry out three-party negotiations with the Tunisian authorities and lending banks.

### PLANNED SITUATION IN TURKEY

In 2018, the security situation was very good and the total traffic in the country reached 210 million passengers, an increase of 9%. 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.

2018, however, was marked by the Turkish economic crisis due to the geopolitical situation (notably the deterioration in relations with the

United States). This led to considerable volatility in the Turkish currency which depreciated on average by 33% in 2018 compared to 2017.

Thanks to the resilience of its business model and the mitigation of exchange rate effects, TAV Group was not significantly impacted.

The context has led, however, to a slowdown in Turkish national traffic (loss of purchasing power) and conversely, a regained attractiveness for international tourists.

### PLANNED ACQUISITION OF 50% OF THE SHARE CAPITAL OF THE CONCESSION HOLDER AT ANTALYA AIRPORT

In May 2018, TAV Airports signed the acquisition of 49% of the capital in ICF, concession holder at Antalya International Airport. TAV Airports and Fraport share the control of ICF equally, and the contract gives the rights to 50% of the dividends. The airport, which welcomed more than 31 million passengers in 2018, 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.

### Airport International Groupe (AIG)

In April 2018, Groupe ADP, through its wholly-owned subsidiary ADP International, finalised the transaction allowing it to hold 51% of the capital and giving it exclusive control of Airport International Group ("AIG"), concession holder for Queen Alia International Airport (QAIA) in Amman, Jordan. The new co-shareholders with which Groupe ADP invests are the infrastructures investment funds Meridiam and IDB Infrastructure Fund II. Edgo, already present, remains co-shareholder. Since this operation, Groupe ADP, already shareholder of AIG with a 9.5%-stake since 2007, has fully consolidated the financial accounts of the concessionary firm.

With a 25 year term, the concession contract signed in 2007 provides for the operation of the existing terminals and the construction and operation of a new terminal. Since then, Groupe ADP experts have been conducting operations.

The construction of the new terminal took place in two phases. The first phase of construction enabled the creation of 103,000 m<sup>2</sup> offering a capacity of 7 million passengers, and commissioned in March 2013. A vast extension was added to this terminal in September 2016, bringing the airport's capacity to 12 million passengers per year.

Operator of QAIA since the beginning of the concession (25 years) in 2007, Groupe ADP has contributed to the performance and growth of the airport over the last ten years. Traffic has grown on average by 6.5% per year since 2007.

With the acquisition of AIG, Groupe ADP will be able to deploy its know-how, expertise and service offer. The objectives are to strengthen the air network from Amman, to improve the quality of service offered to passengers and the performance of aeronautical and commercial activities, and finally to ensure sustainable and socially responsible development for the remaining duration of the project. concession (until 2032).

Queen Alia International Airport is a benchmark airport in the Middle East and manages 98% of Jordan's traffic. It is the base and hub of Royal Jordanian Airlines and the gateway for the main touristic spots of the country, especially Petra, the Dead Sea and Wadi Rum desert.

This airport was ranked by the Airport Council International (ACI) second best airport in its category (over 2 million passengers) in the Middle East, on the basis of the survey Airport Service Quality (ASQ/ACI) 2017, the most important worldwide reference programme regarding airport passengers satisfaction. Finally, it is the first airport in the Middle East to reach the level 3+ of the ACI Carbon accreditation, that is to say, carbon neutrality.

## 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 strategic move that is generating significant mutual benefits for both companies in several core areas of business. The alliance has been named "Hublink".

In 2018, Schiphol Group achieved an increase in revenue of 3.5%, at €1,509 million. The net income attributable to the group was €278 million, down by 0.4%.

### 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 Paris<sup>1</sup>. M. Dick BENSCHOP, who is the new Chief Executive Officer of Royal Schiphol Group, will soon replace M. NIJHUIS.

### 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.

2018 saw the continuation of the projects already launched and the development of shared initiatives:

- ◆ in the area of purchasing, shared consultations can be organised; similarly, and more generally, the coordination of purchasing strategies for both groups, linked to the operational services, with the aim of identifying new shared purchasing opportunities for the future continues and was subject to regular discussions 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 2018, several short missions (3-6 months) were organised, in both directions (Schiphol employees at Groupe ADP and vice versa).

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.

### Planned 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).

Since April 2017, SDA operates a new commercial shopping area in the new terminal (walkthrough) of 619 m<sup>2</sup> dedicated to the sell of perfumes/comestics, alcohol, tobacco, gourmet food, and local products.

<sup>1</sup> See Chapter 14 "Administration and executive management bodies".

In 2018, SDA opened a new sales surface area of 184 m<sup>2</sup> dedicated to fashion called “The Fashion Place” and two pop-up stores located close to the boarding halls.

Lastly, a shop & collect service has been available since September 2018 allowing customers to reserve their products online or in store and collect them when they return to Zagreb.

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.

## 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 Safe 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.

(in million of euros)	Products		EBITDA		Operating income from ordinary activities (including operating activities of associates)	
	2018	2018/2017	2018	2018/2017	2018	2018/2017
Hub One	155	+0.8%	13	-34.1%	-	-94.5%
Hub Safe <sup>1</sup>	-	-100.0%	-	-100.0%	-	-100.0%
<b>TOTAL</b>	<b>155</b>	<b>-28.3%</b>	<b>47</b>	<b>+85.1%</b>	<b>33</b>	<b>+252.4%</b>

<sup>1</sup> Following the sale by Groupe ADP of a 80%-stake of Hub Safe on 29 September 2017, Hub Safe sub-group is presented in share in associates from non-operating activities

## 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. It helps firms and both public and private organizations in France or internationally in their digital transformation. Through its divisions Télécom, Mobility and Cybersecurity, the Group Hub One proposes digitalisation solutions to companies in order to gain in terms of productivity, efficiency, visibility and security of the information by using values of proximity, engagement and boldness.

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 an expertise which is reknown on many aspects of the creation of digital values. It deploys and operations infrastructure telecom, develops, edits, and integrates software of traceability and mobility, install terminals to professionals for which it assures maintenance, performs audits, gives training for IT security and supervise the security for IT systems.

In 2018, Hub One has taken controlled of the firm Sysdream, specialized in cybersecurity, and has generated more than €155 million in products through its ten branches in France, 550 employees and 5,000 customers. The flexibility of its structure and its nationwide presence allow local customer support for all equipment and associated services needs.

Moreover, Editions Lefebvre Sarrut (ELS) Group, specialising in professional training and legal, tax and regulatory publishing, called on Hub One in September 2018, to optimise the quality and reliability of its telephone infrastructure.

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. On this date, Groupe ADP controls 20% of Hub Safe capital.

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.

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. In this context of development Hub Safe was given the Bordeaux Mérignac airport security management in December 2018 for a period of six years.





## 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.

### 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) 2018/1139 of 4 July 2018, 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 security in the structure or land, or authorise such operations only on condition that they do not prejudice the fulfilment of these obligations.

As of the transfer of the majority of ADP's capital to the private sector, the draft PACTE bill extends the State's authorisation to any sale, contribution or creation of a security interest, or transfer of activity, relating to property that will be transferred to the State upon expiry of the right to operate.

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 airports, 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. As of the transfer of the majority of ADP's capital to the private sector, the draft PACTE bill provides authorisations scheme, in particular for transactions exceeding a significant amount or surface area (thresholds that would be defined in the new specifications) (see PACTE law, Article 131).

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 hand, 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 before their change of status or the government authorities. As of the transfer of the majority of ADP's capital to the private sector, the PACTE bill provides for a distribution of the capital gain on the sale of assets of which, the ownership will be transferred to the State at the end of ADP's right to operate, with specific arrangements depending on the particular assets types (see PACTE law, Article 132).

The airspace 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. Clearing aviation easements forbid the creation or require the removal of any obstacles that could constitute a danger for air traffic, and may lead to height restrictions for buildings. Warning beacon aviation easements involve an obligation to equip certain obstacles with visual or radio-electric devices intended to signal their presence to pilots.

Lastly, there is a protected area around the airports, within which building restrictions apply, laid down in particular by noise exposure plans designed to limit over time the number of local residents affected by noise pollution through the institution of town planning oversight<sup>1</sup>.

## 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 operator<sup>2</sup>.

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 (approved by decree n°2005-828 of July 20<sup>th</sup> 2005) 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;

<sup>1</sup> See also Chapter 17 "Environmental data".

<sup>2</sup> 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.



- ◇ 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 it<sup>1</sup>.

The PACTE bill, definitively adopted as law by Parliament on 11 April 2019 provides for the entry into force of a new set of specifications as of the possible transfer of the majority of ADP's capital to the private sector, as set out in the PACTE bill (see PACTE law, Article 131).

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 €443,000 for goods and services contracts and €5,548 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.



<sup>1</sup> See also the paragraph in Chapter 6 entitled "Ownership of assets".



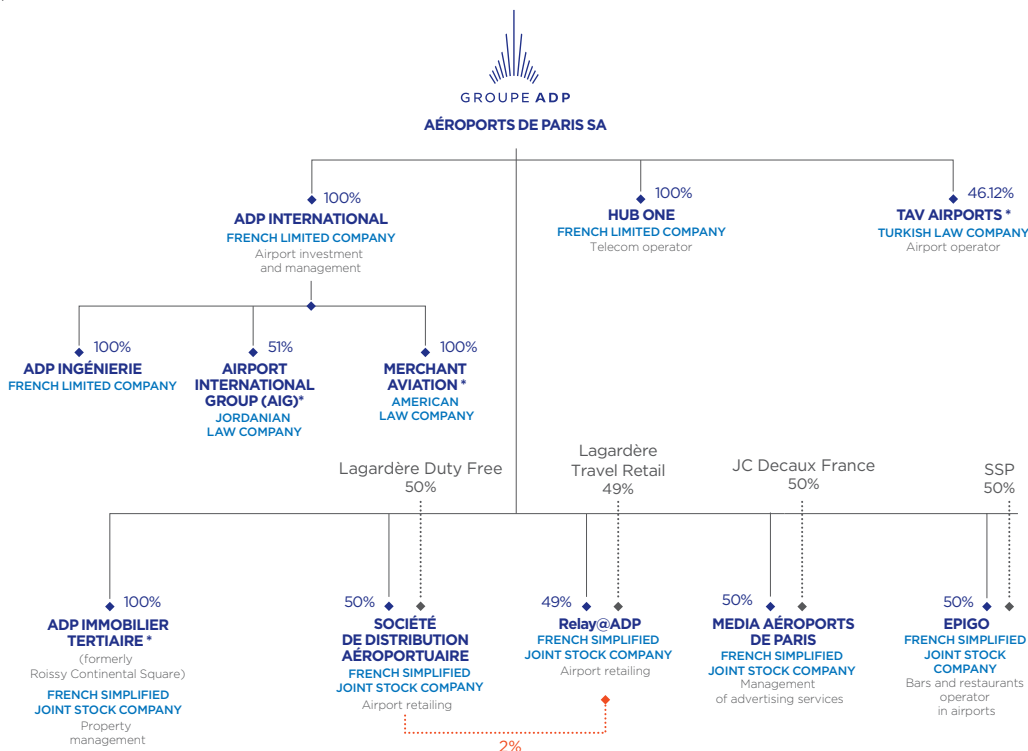


# ORGANISATION CHART

## 7.1 SIMPLIFIED GROUP ORGANISATION CHART AS AT 31 DECEMBER 2018

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 2018  
SA: "société anonyme" (French public limited company).  
SAS: "société par actions simplifiée" (French simplified joint-stock company).

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 of the registration document, and financial information concerning these companies appears in Chapter 9 of the registration document.

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 2018, several guarantees were granted by Aéroports de Paris SA on behalf of ADP Ingénierie for the

benefit of various customers of this subsidiary. These guarantees are included in off-balance sheet commitments<sup>1</sup>.

The main flows between Aéroports de Paris and its subsidiaries are described in Notes 6.2, and 10.1 of the Notes to the Company financial statements in Chapter 20.

Since 19 April 2018, Groupe ADP, through its wholly-owned subsidiary ADP International, owns 51% of the capital of Airport International Group ("AIG"), concessionary of Queen Alia International Airport (QAIA) in Amman, Jordan.

Already a shareholder of AIG with a 9.5% stake since 2007, this operation enables Groupe ADP to take exclusive control of AIG, and to fully consolidate AIG in the Group's financial statements.

<sup>1</sup> For further information, see note 15 to the consolidated financial statements in chapter 20.



08

## REAL ESTATE ASSETS AND FACILITIES

<b>8.1 REAL ESTATE ASSETS AND FACILITIES</b>	<b>101</b>	<b>8.2 ENVIRONMENTAL CONSTRAINTS</b>	<b>102</b>
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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 specifications<sup>1</sup>. They mainly consist of aeronautic surfaces (runways, taxiways and parking aprons) and related overrun areas as well as terminal buildings and building sites.

The Group's real-estate assets include airport infrastructures (roads, networks, etc.) and passenger terminals. They are detailed in Chapter 6, in the paragraph entitled "Description of Aéroports de Paris platforms". The real estate assets of Aéroports de Paris also includes structures and buildings built on these lands or sometimes on lands that Aéroports de Paris is authorised to occupy under authorisations for temporary occupation of public property or private leases. In particular, Aéroports de Paris occupies 7 hectares belonging to the City of Paris for the

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

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.

At 31 December 2018, the net value of land and improvements (investment property included) totalled €117 million, buildings (investment property included) totalled €5,879 million and technical facilities and other (investment property included) amounted to €436 million and assets under construction (investment property included) totalled €1,349 million. Fixed assets and investment property are described in Note 6 to the consolidated financial statements.

## Retrocession of a portion of gains that may be made from the closing of all or part of an aerodrome operated by Aéroports de Paris to public air traffic

The agreement entered into on 30 March 2006 between the Government authorities and Aéroports de Paris pursuant to article 3 of the Law of 20 April 2005 provides that, for a 70-year period, in the event of the closing to public air traffic of all or part of an aerodrome operated by Aéroports de Paris, Aéroports de Paris will pay the government 70% of the difference between the effective market value of the buildings that are no longer assigned to airport public service, as well as the reference value of such buildings as indicated in the balance sheet assets at 31 December 2004 as approved by the General Meeting of Shareholders of Aéroports de Paris on 23 December 2005, plus costs related to their restoration and the closing of airport facilities. The assets that fall within the scope of this provision will then be determined by a committee of appraisers, who will also be asked to check that they have been valued correctly.

## 8.2 ENVIRONMENTAL CONSTRAINTS

Environmental restrictions may result from international, European or national laws and regulations (ICAO). As at the date of filing of this Registration Document, these constraints were compatible with the current and future use of the facilities of Aéroports de Paris. Only more restrictive regulations could limit the capacities of use of the Aéroports de Paris airports beyond the current situation<sup>1</sup>.

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



# REVIEW OF THE FINANCIAL POSITION AND INCOME <sup>AFR</sup>

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The consolidated financial statements of Groupe ADP for the financial years ended 31 December 2018 and 31 December 2017 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 2018 financial year with the data for the 2017 financial year<sup>1</sup>.

<sup>1</sup> See notes to the consolidated financial statements presented in Chapter 20.

## 9.1 KEY FIGURES

<i>(in millions of euros)</i>	2018 <sup>1</sup>	2017 <sup>1</sup>	2018/2017 <sup>1</sup>
Revenue	4,478	3,617	+€861m
EBITDA	1,961	1,567	+€393m
EBITDA / Revenue	43.8%	43.3%	+1.0%
Operating income from ordinary activities (including operating activities of associates)	1,237	1,030	+€207m
Operating income from ordinary activities / Revenue	27.6%	28.5%	-3.0%
Operating income (including operating activities of associates)	1,235	1,052	+€183m
Financial income	(206)	(179)	-€27m
<b>NET INCOME ATTRIBUTABLE TO THE GROUP</b>	<b>610</b>	<b>571</b>	<b>+€39M</b>

<sup>1</sup> 2018's data take into account the full consolidation of TAV Airports' results, since the 2nd half of 2017, and the full consolidation of AIG's results since April 2018.

The effect of the application of the norm IFRS 9 as of 1 January 2018, relative to financial instruments, is of +€13 million on the financial result as of 31 December 2018. The effect of the application of the norm IFRS 15 at the 1<sup>st</sup> January 2018, relating to revenue recognition principles, has no significant impact on the income statement (impact below €1 million in 2018).

## 9.2 ANALYSIS OF 2018 RESULTS

### Analysis of Groupe ADP 2018 income statement

#### Revenue

<i>(in millions of euros)</i>	2018	2017	2018/2017
<b>REVENUE</b>	<b>4,478</b>	<b>3,617</b>	<b>+€861M</b>
Aviation	1,890	1,813	+4.3%
Retail and services	1,000	953	+4.9%
Real estate	265	250	+6.0%
International and airport developments	1,412	682	+€730m
of which TAV Airports <sup>1</sup>	1,166	616	+€550m
of which AIG <sup>1</sup>	175	-	+€175m
Other activities	155	217	-28.3%
Inter-sector eliminations	(245)	(298)	-18.0%

<sup>1</sup> 2018's data take into account the full consolidation of TAV Airports' results, since the 2nd half of 2017, and the full consolidation of AIG's results since April 2018.

Over 2018, Groupe ADP **consolidated revenue**, stood at €4,478 million, up by €861 million, mainly thanks to:

- ◆ the full consolidation of TAV Airports since the 2<sup>nd</sup> half of 2017, which contributed to revenue up to €1,166 million, and the full consolidation of AIG since April 2018, which contributed to revenue up to €175 million. Excluding the full consolidation of both entities, Groupe ADP revenue grew by 4.6%, to €3,137 million;
- ◆ the growth in airport fees in Paris Aéroport (+5.6%, at €1,115 million), driven by passenger traffic dynamics (+3.8%) combined with the increase in tariffs since 1 April 2018 (+2.125%) despite the first semester strikes;

- ◆ the increase of retail and services segment by 4.9%, to €1000 million, driven by the performance of retail activities (+6.8%, to €490 million);
- ◆ the growth in real estate segment's revenue (+6.0%), to €265 million mainly thanks to the positive effect of the full acquisition of the "Dôme" building, in Paris-Charles de Gaulle in December 2017.

Other activities segment and intersegment eliminations are impacted by the sale of a 80%-stake in Hub Safe that has led to a change in consolidation method for the firm results since the 4<sup>th</sup> quarter of 2017<sup>1</sup>. Hub Safe's results are now integrated as share in associates from non-operating activities. Over 2018, the net loss in revenue, linked to the share of external revenue of Hub Safe amounted to €8 million compared to 2017.

<sup>1</sup> Please refer to press release published on 29 September 2017, available on [www.groupeadp.fr](http://www.groupeadp.fr).



## EBITDA

(in millions of euros)	2018 <sup>1</sup>	2017 <sup>1</sup>	2018/2017 <sup>1</sup>	2018 (excl. full consolidation TAV A and AIG) <sup>2</sup>	2017 (excl. full consolidation TAV A and AIG) <sup>2</sup>	2018/2017 (excl. full consolidation TAV A and AIG) <sup>2</sup>
<b>Revenue</b>	<b>4,478</b>	<b>3,617</b>	<b>+€861m</b>	<b>3,137</b>	<b>3,001</b>	<b>+4.6%</b>
Operating expenses	(2,628)	(2,142)	+€486m	(1,877)	(1,809)	+3.7%
Consumables	(200)	(165)	+€35m	(125)	(120)	+4.2%
External services	(1,178)	(865)	+€312m	(795)	(725)	+9.6%
Employee benefit costs	(890)	(814)	+€76m	(653)	(689)	-5.2%
Taxes other than income taxes	(275)	(260)	+€15m	(256)	(250)	+2.2%
Other operating expenses	(86)	(39)	+€47m	(48)	(25)	-€23m
Other incomes and expenses	110	93	+€18m	96	96	-
<b>EBITDA</b>	<b>1,961</b>	<b>1,567</b>	<b>+€393m</b>	<b>1,359</b>	<b>1,287</b>	<b>+5.6%</b>
<i>EBITDA / Revenue</i>	<i>43.8%</i>	<i>43.3%</i>	<i>+0.5pt</i>	<i>43.3%</i>	<i>42.9%</i>	<i>+0.4pt</i>

<sup>1</sup> 2018's data take into account the full consolidation of TAV Airports' results, since the 2nd half of 2017, and the full consolidation of AIG's results since April 2018.

<sup>2</sup> Data excluding TAV Airports and AIG are presented for the monitoring of Group EBITDA forecast, excluding the full consolidation of TAV Airports and excluding the effects of any change in scope that occurred or may occur.

Group operating expenses stood at €2,628 million over 2018. Excluding the full consolidation of TAV Airports and AIG, operating expenses were up (+3.7%). Excluding the bad debt losses related to international (EBITDA neutral), the increase in operating expenses would be +2.6% due to:

- the slight increase of the operating expenses of the parent company, Aéroports de Paris (+1.2%);
- an increase in expenses of subsidiaries (ADP International, ADP Ingénierie, Hub One) linked to the growth of their activities and development operations.

The distribution of operating expenses is as follows:

- consumables stood at €200 million. Excluding the full consolidation of TAV Airports and AIG, consumables were up by 4.2%, at €125 million, due to the poor weather conditions over the first quarter of 2018 (increased need in winter products) and work undertaken on behalf of the Société du Grand Paris (SGP), subject to compensation (EBITDA neutral);

- the cost related to external services stood at €1,178 million. Excluding the full consolidation of TAV Airports and AIG, these expenses increased by 9.6%, to €795 million, due to the increase of use of sub-contracting, notably linked to the sale of a 80%-stake in Hub Safe;
- employee benefit costs stood at €890 million. Excluding the full consolidation of TAV Airports and AIG, employee benefit costs were down by 5.2%, and stood at €653 million, notably due to the partial sale of Hub Safe in October 2017. Employee costs at the parent company, Aéroports de Paris, were stable at €556 million in 2018. As of 31 December 2018, the average number of employees (full-time equivalents) stood at 25,840<sup>1/2</sup>;

<sup>1</sup> Full-time equivalent (FTE), including average FTE of Hub Safe over 9 months following the sale of 80% of the company's capital at the end of September 2017, and including average FTE of TAV Airports from the date of full consolidation which took place in July 2017.

<sup>2</sup> The average number of employees of the parent company is stable in 2018.

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(in millions of euros)	2018 <sup>1</sup>	2017	2018/2017
<b>Employee benefit costs</b>	<b>(890)</b>	<b>(814)</b>	<b>+9.4%</b>
Aéroports de Paris	(556)	(555)	-
Subsidiaries	(335)	(258)	+29.5%
<b>Average staff numbers (Full-Time Equivalent)</b>	<b>25,840</b>	<b>17,422</b>	<b>8,418</b>
Aéroports de Paris	6,349	6,435	-1.3%
Subsidiaries	19,491	10,987	8,504
Of which TAV Airports	18,097	8,418	9,679
Of Which AIG <sup>2</sup>	402		402

<sup>1</sup> 2018's data take into account the full consolidation of TAV Airports' results, since the 2nd half of 2017, and the full consolidation of AIG's results since April 2018.

<sup>2</sup> Full time equivalent, of which average number of employees of AIG from the date of full consolidation.

- taxes other than income taxes stood at €275 million. Excluding the full consolidation of TAV Airports and AIG, taxes other than income taxes increased by 2.2%;

- other operating expenses stood at €86 million. Excluding the full consolidation of TAV Airports and AIG, other operating expenses were up by €23 million as a result of the recognition of bad debt losses related to international (neutral impact on EBITDA);

◆ **other income and expenses** stood at €110 million. Excluding the full consolidation of TAV Airports and AIG, this item amounts to €96 million, stable compared to 2017 (€96 million), under the combined effect:

- ◆ reversals of provision for bad debts related to international mentioned above (EBITDA neutral),
- ◆ the non-renewal of the 2017 Fedex capital gain (Hub Safe) for €63 million,

- ◆ reimbursement of studies and works carried out for the CDG express project for +€30 million (€38 million in 2018 vs. €8 million in 2017).

Over 2018, consolidated EBITDA stood at €1,961 million. The consolidated gross margin<sup>1</sup> rate was 43.8%, up by 0.5 point. Excluding the full consolidation of TAV Airports and AIG, EBITDA stood at €1,359 million, up by 5.6%, i.e. €72 million. The gross margin rate was 43.3%, up by 0.4pt.

## Net result attributable to the Group

<i>(in millions of euros)</i>	2018 <sup>1</sup>	2017 <sup>1</sup>	2018/2017 <sup>1</sup>
<b>EBITDA</b>	<b>1,961</b>	<b>1,567</b>	<b>+25.1%</b>
Amortisation & Depreciation	(804)	(615)	+30.7%
Share in associates and joint ventures from operating activities after adjustments related to acquisition of holdings	80	78	+2.6%
<b>Operating income from ordinary activities (including operating activities of associates)</b>	<b>1,237</b>	<b>1,030</b>	<b>+20.1%</b>
Other operating expenses and incomes	(2)	22	-€25m
<b>Operating income (including operating activities of associates)</b>	<b>1,235</b>	<b>1,052</b>	<b>+17.4%</b>
Financial income	(206)	(179)	+15.3%
Associates from non-operating activities	1	1	-
<b>Income before tax</b>	<b>1,030</b>	<b>874</b>	<b>+17.8%</b>
Income taxes	(335)	(260)	+29.0%
<b>Net results from continuing activities</b>	<b>695</b>	<b>614</b>	<b>+13.0%</b>
Net income attributable to non-controlling interests	(85)	(43)	-€42m
<b>Net income attributable to the Group</b>	<b>610</b>	<b>571</b>	<b>+6.9%</b>

<sup>1</sup> 2018's data take into account the full consolidation of TAV Airports' results, since the 2<sup>nd</sup> half of 2017, and the full consolidation of AIG's results since April 2018.

Over 2018, **operating income from ordinary activities** (including operating activities of associates) stood at €1,237 million, up by €207 million, due notably to:

- ◆ the scope effect of the full consolidation of TAV Airports since the 2<sup>nd</sup> half of 2017 and AIG since April 2018, for an amount of €181 million;
- ◆ the capital gain of the re-evaluation of the already-owned 9.5%-stake in AIG for an amount of €23 million;
- ◆ the increase in depreciation in Paris (+€10.5 million, i.e. +2.3%);
- ◆ a provision on international stake for an amount of €20 million over 2018 vs. €46 million over 2017.

As a reminder, two exceptional items occurred in 2017:

- ◆ the recognition in 2017 of a gain on the translation reserve following the sale of TAV C (-€12m);
- ◆ the capital gain following the capital increase of TAV A (-€63m).

**Other operating expenses and incomes** were down by €24 million, notably linked to the capital gain on the sale of a 80%-stake in Hub Safe, for an amount, net of selling costs, of €27 million.

**Operating income (including operating activities of associates)** stood at €1,235 million.

The **net financial result** stood at -€206 million. Excluding the full consolidation of TAV Airports and AIG, financial result stood at -€82 million, improving by €37 million.

As of 31 December 2018, Groupe ADP **net debt** stood at €4,942 million, vs. €3,797 million as of 31 December 2017. Excluding the full consolidation of TAV Airports and AIG, Groupe ADP's net debt stood at €3,935 million as of 31 December 2018.

Aéroports de Paris issued on 11 October 2018 a 20-year bond of a total amount of €500 million, with a fixed rate of 2.125%.

The **income tax expense** stood at €335 million over 2018, up by €75 million, of which €43 million linked to the effect of the full integration of TAV Airports. Excluding the full consolidation of TAV Airports and AIG, the net increase in corporate income tax of €34 million is related firstly to the increase in income before tax (for €21 million on tax), and secondly to a effect rate between the two years for €13 million (effective rate at 33.67% in 2018 vs. 32.01% in 2017).

Taking into account all these items, the **net result attributable to the Group** increased by €39 million, to €610 million.

<sup>1</sup> EBITDA/Revenue.

## Analysis by segment

### Aviation

(in millions of euros)	2018	2017	2018/2017
<b>Revenue</b>	<b>1,890</b>	<b>1,813</b>	<b>+4.3%</b>
<i>Airport fees</i>	1,115	1,055	+5.6%
<i>Passenger fees</i>	695	653	+6.5%
<i>Landing fees</i>	254	243	+4.4%
<i>Parking fees</i>	165	159	+3.7%
<i>Ancillary fees</i>	239	230	+3.6%
<i>Revenue from airport safety and security services</i>	499	487	+2.3%
<i>Other income</i>	38	40	-3.4%
<b>EBITDA</b>	<b>603</b>	<b>551</b>	<b>+9.4%</b>
<b>Operating income from ordinary activities (including operating activities of associates)</b>	<b>307</b>	<b>272</b>	<b>+12.8%</b>
<i>EBITDA / Revenue</i>	31.9%	30.4%	+1.5pt
<i>Operating income from ordinary activities / Revenue</i>	16.3%	15.0%	+1.2pt

Over 2018, aviation segment revenue, which includes Parisian activities alone, was up by 4.3% at €1,890 million.

Revenue from **airport fees** (passenger fees, landing fees and aircraft parking fees) was up by 5.6%, at €1,115 million over 2018, benefiting from the growth in passenger traffic (+3.8%) and the increase in tariffs, in spite of the first semester strikes. For information, tariffs (excluding PRM<sup>1</sup> fees) have increased by 2.125% as of 1 April 2018.

**Ancillary fees** were up by 3.6%, at €239 million, due to revenues from the registration banks (+6.2%, i.e. €5.2m) and proceeds from the PHMR fee (+4.1%, i.e. €2.4m), in connection with the increase in traffic.

**Revenue from airport safety and security services** was up by 2.3%, at €239 million.

**Other income**, which mostly consists in re-invoicing the French Air Navigation Services Division, leasing associated with the use of terminals and other works services made for third parties, increased by 4.4%, at €41 million.

**EBITDA** was strongly up by 9.4%, at €603 million. The gross margin rate increased by 1.5pt and stood at 31.9%.

As a consequence, the **operating income from ordinary activities** was strongly up by €36 million, at €308 million over 2018.

### Retail and services

(in millions of euros)	2018	2017	2018/2017
<b>Revenue</b>	<b>1,000</b>	<b>953</b>	<b>+4.9%</b>
<i>Retail activities</i>	490	459	+6.8%
<i>Airside shops</i>	318	303	+4.8%
<i>Landside shops</i>	20	19	+9.0%
<i>Bars and restaurants</i>	48	42	+13.4%
<i>Advertising</i>	55	50	+10.0%
<i>Others</i>	49	45	+9.8%
<i>Car parks and access roads</i>	173	171	+1.1%
<i>Industrial services revenue</i>	129	134	-3.7%
<i>Rental income</i>	149	147	+1.7%
<i>Other income</i>	58	42	+37.5%
<b>EBITDA</b>	<b>580</b>	<b>533</b>	<b>+8.9%</b>
Share in associates and joint ventures from operating activities	2	3	-9.6%
<b>Operating income from ordinary activities (including operating activities of associates)</b>	<b>458</b>	<b>404</b>	<b>+13.3%</b>
<i>EBITDA / Revenue</i>	58.0%	55.9%	+2.1pt
<i>Operating income from ordinary activities / Revenue</i>	45.8%	42.4%	+3.4pt

Over 2018, revenue from Retail and services, which includes Parisian activities alone, was up by 4.9%, at €1,000 million.

<sup>1</sup> Persons with reduced mobility.

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 6.8% over 2018, at €490 million:

- ◇ among this item, the rents from airside shops stood at €318 million, up by 4.8%, thanks to the dynamism of traffic and positive traffic mix despite the negative impact of strong Euro over the 1<sup>st</sup> half of 2018 and important works in terminal 2E, halls K and L leading to temporary shops closing during the work. The sales per passenger<sup>1</sup> is slightly up (+0.6%), at €18.4;
- ◇ rents from landside shops increased by 9.0%, at €20 million.
- ◇ Rents from bars and restaurants kept on posting a strong growth of 13.4% at €48 million, thanks notably to the performance of the joint venture EPIGO. Advertising revenue amount to €55 million, up by 10.0%, due to good results of **Media Aéroports de Paris** which saw an increase of 11.3% of its revenue, at €59.2 million, following a significant increase in digital media (+7%). EBITDA is up by 17.6% at €9.7 million and its net result is up by 12.2% at €2.5 million.

Revenue from **car parks** stood at €173 million, up by 1.1%.

Revenue from **industrial services** (supply of electricity and water) was down by 3.7%, at €129 million.

**Rental revenue** (leasing of spaces within terminals) was up by 1.7%, at €149 million.

**Revenue from other income** (mainly consisting in internal services) saw an increase of 37.5%, at €58 million, notably thanks to an increase of €13 million of the revenue linked to the works for the project *Société du Grand Paris*.

**EBITDA** of the segment was up (+8.9%), at €580 million, due to growth in revenue and control over expense. The gross margin rate was up (+2.1pt) at 58.0%.

The share of profit from operating associates (Société de Distribution Aéroportuaire, RELAY@ADP and EPIGO) amount to €2 million.

**Operating income from ordinary activities (including operating activities of associates)** increased by 13.3%, at €458 million.

## Real Estate

<i>(in millions of euros)</i>	<b>2018</b>	<b>2017</b>	<b>2018/2017</b>
<b>Revenue</b>	<b>265</b>	<b>250</b>	<b>+6.0%</b>
<i>External revenue (generated with third parties)</i>	<i>218</i>	<i>208</i>	<i>+4.9%</i>
<i>Land</i>	<i>110</i>	<i>108</i>	<i>+2.1%</i>
<i>Buildings</i>	<i>66</i>	<i>68</i>	<i>-3.6%</i>
<i>Others</i>	<i>42</i>	<i>32</i>	<i>+32.3%</i>
<i>Internal revenue</i>	<i>47</i>	<i>42</i>	<i>+12.0%</i>
<i>Other income and expenses</i>	<i>-</i>	<i>69</i>	<i>-€69m</i>
<b>EBITDA (excluding capital gain linked to cargo hub buildings)</b>	<b>148</b>	<b>146</b>	<b>+1.3%</b>
<b>EBITDA</b>	<b>148</b>	<b>209</b>	<b>-29.4%</b>
Share in associates and joint ventures from operating activities	2	(2)	€4m
<b>Operating income from ordinary activities (including operating activities of associates)</b>	<b>101</b>	<b>161</b>	<b>-37.2%</b>
<i>EBITDA / Revenue</i>	<i>55.6%</i>	<i>83.5%</i>	<i>-27.9pt</i>
<i>Operating income from ordinary activities / Revenue</i>	<i>38.0%</i>	<i>64.1%</i>	<i>-26.1pt</i>

Over 2018, real estate segment revenue, which includes Parisian activities alone, was up by 6.0%, at €265 million.

**External revenue<sup>1</sup>** (€218 million) was up by 4.9% notably thanks to the full acquisition of the "Dôme" building in Paris Charles de Gaulle, which has a positive effect of €4.5 million on rents.

**EBITDA** of the segment was down by 29.4%, at €148 million, due to the capital gain linked to the cargo hub buildings<sup>2</sup> accounted for in "Other income and expenses" for an amount of €63 million during the 1<sup>st</sup> half of 2017.

Excluding the profit linked to the cargo hub buildings, the EBITDA was up by +1.3%.

The share of profit from operating associates stood at €2 million, up by €4 million due to a reversal of provision on studies following the confirmation of the Belaïa project, within *Cœur d'Orly*.

As a consequence, **operating income from ordinary activities (including operating activities of associates)** decreased, at €101 million, vs. €161 million over 2017. Excluding the capital gain linked to the cargo hub buildings, operating income from ordinary activities was up by 3.1%.

<sup>1</sup> Generated with third parties (outside the Group).

<sup>2</sup> Please refer to financial release published on 24 July 2017.

## International and airports developments

(in millions of euros)	2018 <sup>1</sup>	2017 <sup>1</sup>	2018/2017 <sup>1</sup>
<b>Revenue</b>	<b>1,412</b>	<b>682</b>	<b>+€730m</b>
ADP Ingénierie	58	52	+€7m
ADP International	188	15	+€173m
Of which AIG	175	-	+€175m
TAV Airports	1,166	616	+€550m
<b>EBITDA</b>	<b>585</b>	<b>252</b>	<b>+€333m</b>
Share in associates and joint ventures from operating activities after adjustments related to acquisition of holdings	75	77	-€2m
Operating income from ordinary activities (including operating activities of associates)	339	186	+€153m

<sup>1</sup> 2018's data take into account the full consolidation of TAV Airports' results, since the 2nd half of 2017, and the full consolidation of AIG's results since April 2018.

Please note that the impact of the application of the norm IFRS 15 as from 1 January 2018 on the revenue from ordinary activities from contracts concluded with its customers has no significant impact on the revenue from the International and airport development segment (below €1 million).

Over 2018, revenue from International and airport developments strongly increased by €730 million, to €1,412 million, due to the perimeter change linked to the full consolidation of TAV Airports' results<sup>1</sup> since July 2017 and the full consolidation of AIG's results<sup>2</sup> since April 2018. EBITDA segment stood at €585 million.

**ADP Ingénierie**<sup>1</sup> revenue was up by €7 million, at €58 million. EBITDA amounts to €0.8 million (vs. -€12m compared to 2017) and operating income from ordinary activities (including operating activities of associates) is null (vs. a result of -€13m in 2017). As of 31 December 2018, ADP Ingénierie's backlog stood at €75 million, strongly up compared to end of 2017 (€61 million).

**ADP International**, excluding its subsidiary ADP Ingénierie, saw its revenue increase by €173 million, to €188 million, out of which €175 million due to the full consolidation of AIG since April 2018.

ADP International's EBITDA stood at €37.2 million, up by €48.7 million, thanks to the contribution of the full consolidation of AIG's results for an amount of €54 million. ADP International's operating income from ordinary activities (including operating activities of associates) stood at €2.6 million, up by €41.3 million due to:

- ◇ a provision on international stake amounting to €20 million in 2018 vs. €46 million in 2017;
- ◇ the capital gain of the re-evaluation of the already-owned 9.5%-stake in AIG for an amount of €23 million.

Over 2018, **TAV Airports** achieved an increase in revenue of €550 million, to €1,166 million:

- ◇ €544m linked to the full consolidation over the 1<sup>st</sup> semester of 2018;
- ◇ €6m corresponding to the change between the 2<sup>nd</sup> semester of 2017 and the 2<sup>nd</sup> semester of 2018, the effect of the rise in traffic being almost entirely offset by the negative impact on revenue of the depreciation of -49% of the Turkish lira on average in H2 2018 (vs. 2<sup>nd</sup> semester of 2017).

In full year, TAV Airports revenue was up by 2.7%, thanks to very good traffic dynamics, to the growth of the activities of its subsidiaries, despite the depreciation of the Turkish lira.

TAV Airports' EBITDA<sup>2</sup> rose by €268 million to €548 million:

- ◇ €228 million linked to the full consolidation over the first semester of 2018;
- ◇ €40 million corresponding to the change between the 2<sup>nd</sup> semester of 2017 and the 2<sup>nd</sup> semester of 2018, in particular due to the dynamism of traffic, the effect of the depreciation of the Turkish lira being broadly neutral at the level of EBITDA.

In full year, TAV Airports' EBITDA was up by 7%, to €514 million, under the effect of the increase in revenue and thanks to a stability of the operating expenses.

TAV Airports' net result attributable to the group is up by €46 million, at €75 million.

Share of profit from operating associates, including mainly the share from operating associates of TAV Airports (in particular Antalya) and Schiphol Group stood at €75 million over 2018, vs. €77 million compared to 2017, i.e. a decrease of €2 million.

**Operating income from ordinary activities (including operating activities of associates)** for International and airport developments stood consequently at €339 million, compared to a result of €186 million for 2017.

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<sup>1</sup> Subsidiary of ADP International from 1 July 2017.

<sup>2</sup> To be noted, EBITDA as published by TAV Airports includes Ankara guaranteed passenger Revenue (accounted for in revenue) and the share of equity pick-up, of which result of Antalya airport since May 2018.

## Other activities

(in millions of euros)	2018	2017	2018/2017
<b>Products</b>	<b>155</b>	<b>217</b>	<b>-€61m</b>
Hub One	155	154	+€1m
Hub Safe	-	63	-€63m
<b>EBITDA</b>	<b>47</b>	<b>25</b>	<b>+€22m</b>
<b>Operating income from ordinary activities (including operating activities of associates)</b>	<b>33</b>	<b>9</b>	<b>+€24m</b>
EBITDA / Revenue	30.1%	11.6%	+18,5pt
Operating income from ordinary activities / Revenue	21.4%	4.3%	+17,1pt

<sup>1</sup> Following the sale by Groupe ADP of a 80%-stake of Hub Safe on 29 September 2017, Hub Safe sub-group is presented in share in associates from non-operating activities.

Over 2018, other activities segment revenue decreased by 28.3% at €155 million.

As a reminder, since 29 September 2017, date of the 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.

Over the 1<sup>st</sup> half of 2018, **Hub One** saw its products slightly increasing by 0.8% to €155 million. Hub One's EBITDA decreased by 34.1%,

to €13.4 million due to re-negotiation of intragroup contracts, with no impact on the group accounts.

Segment EBITDA increased by €22 million to €47 million mainly linked to reimbursement of studies and works made for the project CDG Express (+€30m in 2018 compared to 2017).

The **operating income from ordinary activities (including operating activities of associates)** of the segment was up by €24 million, at €33 million.

## 9.3 HIGHLIGHTS OF THE 2018 FINANCIAL YEAR

### Change in passenger traffic

#### Group stake-weighted traffic

Group traffic (in million of passengers)	Groupe ADP stake <sup>1</sup>	Stake-weighted traffic <sup>2</sup>	2018/2017 change <sup>3</sup>
Paris Aéroport (CDG+ORY)	@ 100%	105.3	+3.8%
Zagreb	@ 20.8%	0.7	+7.9%
Jeddah-Hajj	@ 5%	0.4	-8.8%
Amman	@ 100%	8.4	+6.4%
Mauritius	@ 10%	0.4	+3.5%
Conakry	@ 29%	0.2	+7.9%
Santiago de Chile	@ 45%	10.5	+8.8%
Madagascar	@ 35%	0.4	+13.8%
Istanbul Atatürk	@ 46.1%	68.0 (@ 100%)	+6.0%
Antalya	@ 46.1%	31.6 (@ 100%)	+22.0%
Ankara Esenboga	@ 46.1%	16.7 (@ 100%)	+5.8%
Izmir	@ 46.1%	13.4 (@ 100%)	+4.7%
<b>Other airports<sup>4</sup></b>	@ 46.1%	26.1 (@ 100%)	+15.6%
<b>TOTAL GROUP</b>		<b>281.4</b>	<b>+7.6%</b>

<sup>1</sup> Direct or indirect.

<sup>2</sup> 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. Traffic in TAV Airports' airports is taken into account at 100% in accordance with TAV Airports' financial communication practices.

<sup>3</sup> Change in 2018 traffic as compared to 2017. For TAV Airports, change in traffic in 2018 vs 2017 is calculated on a comparable basis (as if TAV Airports was fully consolidated in H1 2017) and includes traffic on Antalya Airports, in which TAV Airports took a stake in May 2018.

<sup>4</sup> Turkey (Milas-Bodrum, Gazipaşa), 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 105.3 million passengers in 2018, an increase of 3.8% compared to the previous year. Paris-Charles de Gaulle Airport welcomed 72.2 million passengers (+4.0%) and Paris-Orly Airport 33.1 million (+3.4%). Excluding the impact of the first semester strikes, the increase in traffic for Paris Aéroport would have been +4.5%. Traffic increased by 3.0% over the 1<sup>st</sup> half of the year and by 4.5% over the 2<sup>nd</sup> half:

◇ international traffic (excluding Europe) was up (+6.0%), with a growth in the following destinations: North America (+8.7%), the French

Overseas Territories (+8.6%), the Middle East (+5.8%), Asia-Pacific (+5.8%), Africa (+4.2%) and Latin America (+1.2%);

◇ european traffic (excluding France) was up (+3.8%);

◇ traffic within France was down (-1.7%).

Geographic split Paris Aéroport	2018/2017 change	Share of total traffic
<b>France</b>	<b>-1.7%</b>	<b>15.4%</b>
<b>Europe</b>	<b>+3.8%</b>	<b>43.8%</b>
<b>Other International</b>	<b>+6.0%</b>	<b>40.8%</b>
Of which		
<i>Africa</i>	+4.2%	11.4%
<i>North America</i>	+8.7%	10.4%
<i>Latin America</i>	+1.2%	3.0%
<i>Middle East</i>	+5.8%	5.2%
<i>Asia-Pacific</i>	+5.8%	6.5%
<i>French Overseas Territories</i>	+8.6%	4.3%
<b>TOTAL PARIS AÉROPORT</b>	<b>+3.8%</b>	<b>100.0%</b>

The number of connecting passengers has reduced by 2.5%. The connecting rate stood at 21.7%, down by 1.4 points. The load factor was up by 1.7 points, at 85.6%. The number of air traffic movements (709,997) was up by 0.8%.

Freight and postal activity decreased by 1.9%, with 2,251,729 tonnes transported.

## Revision of 2018 forecasts

On 30 July 2018, during the 2018 half year financial results announcement, Aéroports de Paris revised some of its forecasts for 2018 which are detailed below:

	2018 forecasts as published on 22 February 2018	2018 forecasts as revised on 30 July 2018
<b>Traffic growth assumption</b>	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	Traffic growth assumption for Paris Aéroport between +2.5% and +3.5% in 2018 compared to 2017 – unchanged Revision of TAV Airports' traffic growth assumption in 2018: growth above 30% compared to 2017 (vs. between +10% and +12% previously)
<b>Consolidated EBITDA</b>	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; remainder of the TAV Airports EBITDA's guidance: increase of between 5% and 7% in 2018 compared to 2017.	Revision of consolidated EBITDA <sup>2</sup> forecast: increase between +17% and +22% in 2018 (vs. between +10% and +15%) compared to 2017, with the full-year effect of the full consolidation of TAV Airports and the effect of the full consolidation of AIG since April 2018: 2018 consolidated EBITDA excluding the full consolidation of TAV Airports and AIG: increase of between +2.5% and +3.5% in 2018 compared to 2017 – unchanged; revision of TAV Airports EBITDA <sup>2/3</sup> forecast: increase of between +14% and +16% in 2018 compared to 2017 (vs. between +5% and +7% previously).
<b>Dividend for 2018</b>	<b>Maintained pay-out of 60% of NRAG 2018</b>	<b>Maintained pay-out of 60% of NRAG 2018</b>

<sup>1</sup> TAV Airports has taken a stake in Antalya Airport since May 2018. Here-above traffic growth assumption takes into account the traffic of this airport from May 2018 only.

<sup>2</sup> TAV Airports' EBITDA guidance, underlying Group's EBITDA guidance, is built on the assumption that Istanbul Ataturk airport will operate for the full year in 2018 and on the following exchange rate assumptions: EUR/TRY = 5.21 et EUR/USD = 1.20.

<sup>3</sup> EBITDA as published by TAV Airports includes Ankara guaranteed passenger revenue and the share of equity pick-up, of which the share of result of Antalya airport following the acquisition in May 2018 of a 49%-stake.

The achievement of these forecasts are subject to the assumption of traffic growth in Paris Aéroport and the good run of TAV Airports' strategy

## Tariffs

As of 1 April 2018, airport and ancillary fees (excluding fees for disabled and reduced-mobility passengers) increased by 2.125%.

## Appointments within Groupe ADP

On 5 April 2018, Augustin de Romanet, Chairman & Chief Executive Officer of Aéroports de Paris SA - Groupe ADP, has made 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 positions 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.

## Groupe ADP acquires the exclusive control of Airport International Group, concessionary of Queen Alia International Airport in Amman, Jordan

On 19 April 2018, Groupe ADP, through its 100%-subsidiary ADP International, has finalized the transaction for the ownership of 51% of the capital, and the exclusive control of Airport International Group ("AIG"), concessionary of Queen Alia International Airport (QAIA) in Amman, Jordan. The new co-shareholders with which Groupe ADP invests are the infrastructures investment funds Meridiam and IDB Infrastructure Fund II. Edgo, already present, remains co-shareholder. Groupe ADP's investment stands at \$265 million.

With this operation, Groupe ADP, already shareholder of AIG with a 9.5%-stake will fully consolidate the financial accounts of the concessionary firm.

## Dividend voted by the Annual General Meeting

The Annual General Meeting of Shareholders held on 4 May 2018 voted to pay a dividend of €3.46 per share for financial year 2017, with an ex-dividend date of 8 June 2018. Given the interim payment (€0.70) made on 8 December 2017, the balance (€2.76) was paid on 8 June 2018. This dividend corresponds to a payout ratio of 60% of the net result attributable to the Group for financial year 2017, and is unchanged since that of financial year 2013.

## Appointment within Groupe ADP

Augustin de Romanet, Chairman & Chief Executive Officer of Groupe ADP, appointed Hervé Wattecamps Human Resources Director, member of the Executive Committee. He took up duties on 9 July.

Hervé Wattecamps, Lieutenant General, 59, is an engineer. He graduated from the École spéciale militaire de Saint Cyr (Saint Cyr Military Academy) and the École de Guerre (War School).

For the first twenty years of his career, he managed the operations of French alpine troops (27<sup>th</sup> Mountain Infantry Brigade). He then developed a 15 year-expertise in the area of human resources. In 2012, Hervé Wattecamps became director of the infantry and artillery officer and non-commissioned officer training schools.

Since 2015, he has been Human Resources Director for the French Army, member of the Executive Committee. He devised and conducted change management for the institution's human resources.

## "PACTE" draft bill containing provisions related to Groupe ADP

The PACTE draft bill on business growth and transformation (No. 1088), which, in Articles 130 to 136, contains provisions relating to the ADP Group, was definitively adopted by Parliament on 11 April 2019. The bill specifically provides for the authorisation of the transfer of the majority of ADP's capital to the private sector and, as of the date of transfer, modifies the conditions for operating within the Greater Paris Region. As such, it provides for the right to operate Paris airports to be limited in time to a period of 70 years, at the end of which ADP's assets operated in the Greater Paris Region and shares in companies held by ADP, with the exception of those dedicated to an activity carried out outside the aerodromes mentioned in Article L.6323-2 of the French Transport Code, will be transferred in full to the State. The draft bill provides that the State will pay ADP compensation in respect of this transfer of assets.

The change in the legal regime of Aéroports de Paris will not have any accounting impact under French standards (used to prepare the financial statements for the regulated scope); the IFRS treatment remains to be assessed on the basis of future specifications.

The draft bill provides that the State will pay ADP compensation in respect of this transfer of assets.

The draft bill provides that this compensation amount, owing and paid by the State to Aéroports de Paris, shall be made up of two components:

- ◆ the first, paid at the time of the transfer of the majority of ADP's capital to the private sector, is defined as: the sum of the after-tax free cash flows generated by the assets transferred to the State at the end of the 70 years of operation, discounted at the WACC<sup>1</sup> of ADP, after deduction of an estimate of the discounted net book value of the properties expropriated in 70 years at the same WACC. This amount shall be a lump sum and cannot be revised. It is calculated based on available public data, set by decree, with the approval of the Investments and Transfer Committee, (after consultation with a committee composed of three people, appointed jointly, on the basis of their financial expertise, by (i) the first President of the Court of Auditors, (ii) the President of the AMF and (iii) the President of the Association of Chartered Accountants);
- ◆ a second component, paid by the State to Aéroports de Paris at the end of the 70-year period, upon transfer of the ownership of these assets to the State. This second component is equivalent to the net book value of the assets transferred to the State, as presented in ADP's financial statements at the end of the 70-year period. This is set by decree, paid to the company no later than the date of the transfer of ownership of the assets to the State.

The PACTE bill secures and strengthens the current regulatory model applicable to Paris airports:

- ◆ confirmation of ADP's adjusted till model by the PACTE bill;
- ◆ confirmation of the principle of fair return on capital employed, and clarification of the calculation method for the weighted average cost of capital (WACC) for the limits of the regulated scope estimated "using the financial assets valuation model, available market data and parameters considered for the companies engaged in comparable activities";

<sup>1</sup> Calculated according to the financial assets valuation model at the date of transfer of the majority of ADP's share capital to the private sector.

- ◇ intangibility of the WACC at the limits of the regulated activities which cannot be called into question during the period covered by the Economic Regulation Agreement, including for the current Economic Regulation Agreement.

The draft bill also enables better medium-term visibility:

- ◇ the twofold principle (i) of fair returns on invested capital and (ii) of suitability of fees to the cost of services rendered (including return on invested capital) can be assessed globally and on a provisional basis over the entire duration of the Economic Regulation Agreement;
- ◇ the use of French accounting standards for regulation is confirmed.

Following the law's enactment, regulatory application measures will be required, including the Company's specifications, which would be applied in the event of the transfer of a majority of ADP's share capital to the private sector. The impacts on ADP can only be assessed depending on all of these legal elements, which will be subject to official publication under the usual conditions of publication for laws and regulations.

## TAV AIRPORTS

As of 31 December 2018, there is no indication of an impairment loss for the intangible asset related to the operating contract of the Istanbul Ataturk airport. Following the transfer of commercial flights from Atatürk airport to the new Istanbul airport on 6 April 2019, Group ADP does not expect any negative impacts on its financial statements. Indeed, TAV Airports was officially informed by the Turkish Civil Aviation Authority (Devlet Hava Meydanı İşletmesi or DMHI), that it will be compensated for the shortfall for the timeframe between the transfer of activity to the new airport and the end of the concession initiales end (2 January 2021 at midnight). The conditions of calculation of this compensation are subject of discussion with the DHMI.

## 2018 regulated ROCE<sup>1</sup>

As of 31 December 2018, the ROCE for the regulated scope (after tax) stood at 5.73%. The operating income for the regulated scope for 2018 amounted to €467 million, before corporate taxes. The sum of the regulated asset base and the change in working capital stood at €5,341 million.

## €500 million 20-year new bond issue

On 4 October 2018, Aéroports de Paris launched a 20-year bond issue for a total amount of €500 million with the following characteristics:

- ◇ format: fixed rate;
- ◇ redemption: in fine;
- ◇ annual rate: 2.125%;
- ◇ re-offer spread: 65 bp over mid swap;
- ◇ re-offer yield: 2.174%;
- ◇ payment date: 11 October 2018;
- ◇ maturity date: 11 October 2038.

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

This bond issue was launched on 11 October 2018 and will ended on 11 October 2038.

## Dividend distribution

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 2018 financial year, this interim dividend amounts to €69.28 million, i.e. €0.70 per share. The ex-interim dividend date was 6 December 2018 and the interim dividend for 2018 was paid out on 10 December 2018.

<sup>1</sup> Return on capital employed.

## EQUITY AND CASH FLOWS <sup>AFR</sup>

<b>10.1 SHAREHOLDER EQUITY</b>	<b>114</b>	<b>10.3 FINANCIAL RISK MANAGEMENT</b>	<b>116</b>
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### 10.1 SHAREHOLDER EQUITY

Group shareholders' equity was €4,850 million at 31 December 2018 compared with €4,577 million at 31 December 2017. The main changes in 2018 stem from the €136 million increase in 2018 net income,

from €571 million to €610 million and the distribution of a dividend for 2017 of €3.46 per share, or €342 million, corresponding to a net income distribution rate of 60%.

### 10.2 CASH FLOW

(in millions of euros)

	<b>2018</b>	<b>2017</b>
Cash flows from operating activities	1,551	1,270
Cash flows from investing activities	(1,636)	(888)
Cash flows from financing activities	227	(114)
<b>Change in cash flow</b>	<b>145</b>	<b>254</b>
Cash at opening	1,910	1,656
Cash at closing	2,055	1,910

## Cash flows from operating activities

<i>(in millions of euros)</i>	2018	2017
Operating income (including operating activities of associates)	1,235	1,052
Other non-cash income and expenses	644	460
Net financial income other than cost of debt	(44)	(42)
<b>Operating cash flow before change in working capital and tax</b>	<b>1,835</b>	<b>1,470</b>
Change in working capital	(3)	113
Tax expenses	(281)	(313)
<b>Cash flows from operating activities</b>	<b>1,551</b>	<b>1,270</b>

## Cash flow from investing activities

<i>(in millions of euros)</i>	2018	2017
Purchase of property, plant, equipment and intangible assets	(1,078)	(879)
Acquisitions of subsidiaries	(630)	20
Proceeds from sale of subsidiaries	1	21
Dividends received	39	42
Other cash flows from investing activities	32	(92)
<b>Cash flows from investing activities</b>	<b>(1,636)</b>	<b>(888)</b>

2018 was marked by investments made in terms of tangible and intangible assets for €1,078 million for the Groupe ADP, of which €924 million were invested by the parent company (€801 million in 2017) and €142 million for its subsidiaries (€78 million in 2017).

In 2018, cash flows in respect of financial investments, acquisitions of subsidiaries and equity investments amounted to €630 million and mainly reflected:

- ◆ the acquisition of an additional 41.5% of AIG's shares for €157 million net of cash acquired;
- ◆ TAV Airports' acquisition of 49% of its subsidiary TAV Antalya for €360 million.

## Cash flow from financing activities

<i>(in millions of euros)</i>	2018	2017
Proceeds from long-term debt	1,064	561
Repayment of long-term debt	(392)	(253)
Dividends paid to shareholders of the parent company	(342)	(261)
Other cash flows from financing activities	(103)	(161)
<b>Cash flows from financing activities</b>	<b>227</b>	<b>(114)</b>

Cash was up by €145 million in 2018 compared to 2017 and thus stood at €2,055 million (vs €1,910 million in 2017).

Cash flow from operating activities stood at €1,551 million, up by €281 million compared to 2017, 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 €748 million compared to 2017, and stood at -€1,636 million, due mainly to a significant

increase in financial investments and acquisition of subsidiaries and participation, as described in Chapter 20 (Note 12.2.2.)

Cash flow from financing activities stood at €227 million (vs -€114 million in 2017) resulting mainly from the cashing of €750 million linked to the bond emitted by Aéroports de Paris, of long-term bond redemption for €392 million, and of €342 million of dividend payment.

Net debt breaks down as follows:

<i>(in millions of euros)</i>	<b>2018</b>	<b>2017</b>
Financial debt	7,065	5,911
Derivative financial instruments (liabilities)	63	54
<b>Gross financial debt</b>	<b>7,128</b>	<b>5,965</b>
Derivative financial instruments (assets)	(21)	(27)
Receivables and current accounts from associates	(117)	(90)
Cash and cash equivalents	(2,056)	(1,912)
Restricted bank balances <sup>1</sup>	(84)	(189)
Debt related to the minority put option	91	50
<b>Net financial debt</b>	<b>4,942</b>	<b>3,797</b>
<i>Net financial debt / EBITDA</i>	<i>2.52</i>	<i>2.42</i>
<i>Net financial debt / equity (gearing)</i>	<i>85%</i>	<i>70%</i>

The net debt/equity ratio stood at 85% as at 31 December 2018 compared to 70% at end of 2017. Group net debt grew to €4,942 million as at 31 December 2018 compared to €3,797 million at the end of 2017, due to the full consolidation of TAV Airports.

See also Note 9.4 to the consolidated financial statements presented in Chapter 20.

On 4 October 2018, Aéroports de Paris launched a 20-year bond issue for a total amount of €500 million with the following characteristics:

- ◇ format: fixed rate;
- ◇ redemption: in fine;
- ◇ annual rate: 2.125%;
- ◇ re-offer spread: 65 bp over mid swap;
- ◇ re-offer yield: 2.174%;
- ◇ payment date: 11 October 2018;
- ◇ maturity date: 11 October 2038.

## 10.3 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.

## 10.4 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.



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## 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 about 200 trademarks worldwide which differentiate the Group's various business activities.

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.

Furthermore, as of the date of this document, Aéroports de Paris owned approximately 200 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.



William  
Klein  
VERTICAL  
DIAMONDS, 1952  
© William Klein, Estate, Paris



William  
Klein  
2 WHITE & ONE  
YELLOW PASTILLE  
+ MOVING BLACK  
BALLS, 1952-53  
© William Klein, Estate, Paris



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## INFORMATION CONCERNING TRENDS

### 12.1 RECENT EVENTS

The decision of the ISA not to approve the 2019 airport charges (11 January 2019)

The decision of the ISA to approve the 2019 airport charges (6 February 2019)

Groupe ADP contributes to the CDG Express project

January and February 2019 traffic figures

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Transfer of commercial flights from Atatürk to New Istanbul Airport

2021-2025 Economic Regulation Agreement Availability of the public consultation document

### 12.2 FORECASTS

Dividend distribution policy

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## 12.1 RECENT EVENTS

### The decision of the ISA not to approve the 2019 airport charges (11 January 2019)

On 15 January 2019, Aéroports de Paris SA took note of the decision n°1810-D1 of the Independent Supervisory Authority (ISA) not to approve the airport charges applicable from 1 April 2019, on Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports as well as their modulations, with the exception of fees for assistance to disabled

passengers and passengers with reduced mobility. The ISA estimates that the overall product of the airport public service fees on the airport system, after taking into account the proposed tariffs increase, exceeds the services cost.

### The decision of the ISA to approve the 2019 airport charges (6 February 2019)

On 8 February 2019, Aéroports de Paris SA took note of the decision n°1810-D2 of 6 February 2019 of the Independent Supervisory Authority (ISA) to approve the airport charges applicable for the 2019-2020 tariff

period. These tariffs will come into force from 1 April 2019 and will be up by 1.0% for Paris-Charles de Gaulle and Paris-Orly airports and 3.52% for Paris-Le Bourget airport.

### Groupe ADP contributes to the CDG Express project

The infrastructure manager CDG Express ("GI CDG Express"), equally owned by Groupe ADP, SNCF Réseau and *Caisse des dépôts et consignations*, has signed with the French State the concession contract

for works relating to the CDG Express link project. Under this contract, GI CDG Express is responsible for financing, designing, building and maintaining the CDG Express link for 50 years. It will connect the Gare de



l'Est (Paris-East station) to Paris-Charles de Gaulle Airport in 20 minutes. Groupe ADP will be committed to finance the project through equity

contribution of €134 million and a non-renewable repayable advance of up to €150 million.

## January February and March 2019 traffic figures

In January 2019, Paris Aéroport welcomed 7.7 million passengers; an increase of 1.9% compared with January 2018. 5.4 million passengers travelled through Paris-Charles de Gaulle (+2.9%) and 2.4 million through Paris-Orly (-0.4%).

Passenger traffic at TAV Airports, 46.1%-owned by Groupe ADP, increased by 3.4% to 9.7 million passengers in January 2019.

In February 2019, Paris Aéroport welcomed 7.3 million passengers, an increase of 5.2% compared with February 2018. 5.1 million passengers travelled through Paris-Charles de Gaulle (+7.1%) and 2.2 million through Paris-Orly (+1.1%).

Passenger traffic at TAV Airports, 46.1%-owned by Groupe ADP, increased by 6.4% in February 2019 and by 4.8% since the beginning of the year.

In March 2019, Paris Aéroport welcomed 8.7 million passengers, an increase of 5.2% compared to March 2018, of which 6.0 million passengers travelled through Paris-Charles de Gaulle (up 7.2%) and 2.7 million through Paris-Orly (up 1.0%).

Passenger traffic at TAV Airports, 46.1%-owned by Groupe ADP, increased by 5.4% in March 2019 compared to 2018.

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## 2021-2025 Economic Regulation Agreement - Publication of the Public Consultation Document

to promote the development of the Paris area platforms. This document is available at the following address: <http://finance.groupeadp.fr/>. Users and other stakeholders may send their observations on this document to the Ministry of Transport and the General Directorate for Fair Trading, Consumer Affairs and Fraud Control (DGCCRF) within one month from 2 April 2019, with this deadline liable to be extended by fifteen days by Ministry of Transport decision.

As a reminder, the five year Economic Regulation Agreement, signed with the Government, is the fundamental regulation framework for the Paris area platforms, setting the nature and amount of investments, the expected level of service quality, and the increase in airport fees for five years.

This document translates Groupe ADP's ambition for the Parisian platforms and the conviction that the quality of the investments it is making to benefit passengers, partners and airlines is the basis for the competitiveness of the Paris area airports. Thus, the proposed investment policy marks a new stage, both in terms of amounts and development horizons. It will not only address the needs for the 2021-2025 period, but also start the structuring operations that will contribute to the long-term development of the three Paris airports.

For this, Groupe ADP proposes to carry out an investment plan for the regulated scope of €6 billion over the 2021-2025 period (as a reminder, the 2016-2020 Economic Regulation Agreement contained €3 billion in investments).

## Transfer of commercial flights from Atatürk airport to the new Istanbul airport

TAV Istanbul had the right to operate the national and international airport of Atatürk, the car park and the general aviation terminal for 15 and a half years, from 03/07/2005 at 00:01 to 02/01/2021 at 24:00, in accordance with the contract signed with the National Airports Authority ("DHMI"). However, following a decision by the Turkish authorities, all commercial flights were transferred to the new Istanbul airport from 6 April 2019 at 02:00. Following this transfer, TAV will hand over to DHMI all of the structures that it has built at the airport.

In TAV Airports' press release of 22 January 2013, TAV Airports announced that in the official letter sent to it by the National Airports Authority

(DHMI), DHMI had declared that it would repay to TAV Airports the loss of profit that could result from the opening of the new Istanbul airport before the end of TAV Istanbul's rental period planned for 3 January 2021 and that independent companies may be consulted to calculate the total amount of profit losses.

The compensation for loss of profit due to the early termination of activities at Atatürk airport is currently being assessed by DHMI and TAV. Independent companies have also been consulted as part of these assessments. TAV expects to receive formal notification of this compensation from DHMI.

## 12.2 FORECASTS

### Dividend distribution policy

During its meeting on 14 February 2019, the Board of Directors approved the social and consolidated financial statements for the year ended 31 December 2018. The Board of Directors decided to propose a dividend payment of €3.70 per share for 2018, reduced by the interim dividend for 2018 of €0.70/share, paid out on 10 December 2018, at the next Annual

Shareholders General Meeting, to be held on 20 May 2019. Subject to the approval of the Annual General Meeting, the ex-dividend date would be on 7 June 2019, and payment would be made on 11 June 2019. This dividend corresponds to a payout ratio of 60% of the 2018 net income attributable to the Group.



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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 are partially modified and have to be understood independently from the effect of the full consolidation of TAV Airports and AIG. Groupe ADP

will continue to present a consolidated EBITDA excluding the effect of the full consolidation of TAV Airport and AIG in order to follow the 2020 EBITDA target.

	2016-2020 Guidances, as published on 15 October 2015	Guidances revised on 14 February 2019
<b>Traffic</b>	Traffic growth assumption of 2.5% in average per year between 2016 and 2020 Of which international traffic: +3.6%	<b>Revision of traffic growth assumption:</b> Increase between +2.8% and +3.2% in average per year between 2016 and 2020, including international between +3.6% and +4.0%
<b>2020 consolidated EBITDA between 2014 and 2020e</b>	+30 to +40% growth	+30% to +40% growth (unchanged)
<b>Regulated ROCE<sup>1</sup></b>	5.4% assumption in 2020e	<b>Revision of ROCE of the regulated scope at a range of 5.6% and 5.8%</b>
<b>Regulated OPEX/pax (in constant euros)</b>	-8% decrease between 2015 and 2020	<b>Revision of regulated OPEX/pax objective:</b> Decrease of between -10% and -15% between 2015 and 2020
<b>Parent company operating expenses<sup>2</sup></b>	Limit the growth in parent-company operating expenses to a level below or equal to 2.2% in average per annum between 2015 and 2020	Limit the growth in parent-company operating expenses to a level below or equal to 2.2% in average per annum between 2015 and 2020 (unchanged)
<b>Dividend</b>	Maintained pay-out of 60% of NRAG for the dividend	Maintained pay-out of 60% of NRAG for the dividend (unchanged)

	<b>2016-2020 Guidances, as published on 15 October 2015</b>	<b>Guidances revised on 14 February 2019</b>
<b>sales/PAX</b>	€23 on a full-year basis after delivery of the infrastructure projects	€23 on a full-year basis after delivery of the infrastructure projects (unchanged)
<b>Real estate</b>	Growth in external rents (excluding re-invoicing and indexation) ranging from 10% to 15% between 2014 and 2020e	Growth in external rents (excluding re-invoicing and indexation) ranging from 10% to 15% between 2014 and 2020e (unchanged)
<b>Quality of service</b>	Overall ACI/ASQ rating of 4 in 2020e	<b>Adjustment of the quality of service objective:</b> Overall ACI/ASQ rating of 4 on a full-year basis after delivery of the infrastructure projects
<b>Extra-financial rating<sup>3</sup></b>	Rating assumption 83/100 in 2020	<b>Revision of rating assumption:</b> 86/100

<sup>1</sup> Return on capital employed calculated as the operating profit of the regulatory scope after normative tax on companies in relation to the regulated asset base.

<sup>2</sup> Excluding SGP.

<sup>3</sup> Extra-financial rating perimeter: ADP and its subsidiaries at 100%.

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## 13.2 2019 GROUP FORECASTS

Objectives presented here-above are based on data, assumptions and estimates considered as reasonable by the management of the group.

	<b>2019 Forecasts</b>
<b>Group traffic's assumption</b>	<b>Traffic growth assumption for Paris Aéroport between +2% and +2.5% in 2019</b> compared to 2018 Traffic assumption <sup>5</sup> for TAV Airports Group (excluding Istanbul Atatürk) in 2019: decrease of between -38% and -42%
<b>Consolidated EBITDA<sup>1/2/3</sup></b>	<b>Decrease of between -8% and -13% in 2019</b> compared to 2018 taking into account the closure of Istanbul Atatürk Airport <sup>3</sup> Consolidated EBITDA restated of Istanbul Atatürk Airport contribution in 2018 (proforma) and in 2019: increase of between <b>+1% and +5% compared to 2018</b> Of which consolidated EBITDA excluding full consolidation of TAV Airports and AIG: <b>increase between +1% and +2%</b> Reminder of TAV Airports' EBITDA <sup>4</sup> guidance: drop from -38% to -42% compared to 2018
<b>Dividend for 2019</b>	<b>Maintained pay-out of 60% of NRAG<sup>6</sup> 2019</b>

<sup>1</sup> TAV Airports' EBITDA guidance, underlying Group's EBITDA guidance, is built on the following exchange rate assumptions: EUR/TRY = 6.7, EUR/USD = 1.17.

<sup>2</sup> Takes into account the introduction of the mechanism charging Aéroports de Paris 6% of the costs hitherto fully covered by the airport tax, in accordance with Article 179 of Law No. 2018-1317 of finance dated 28 December 2018.

<sup>3</sup> With activity at Istanbul Atatürk airport having stopped on 6 April 2019 following the transfer of commercial flights from Istanbul Atatürk to the new Istanbul airport (see press release of 8 April 2019), the provisions of IFRS 5 on discontinued operations must be applied to TAV Istanbul from this date. Accordingly, for the 2019 interim and annual financial statements, all TAV Istanbul revenue and expenses in respect of 2019 will be presented on a separate line «Net results from discontinued activities» in the income statement.

Revenue, EBITDA and consolidated Group operating income will thus no longer include activity from Istanbul Atatürk airport.

<sup>4</sup> EBITDA as published by TAV Airports includes Ankara guaranteed passenger revenue (net of accretion income on the linked financial claim) and the share of equity pick-up.

<sup>5</sup> TAV traffic at 100%.

<sup>6</sup> Net result attributable to the Group.

The achievement of these forecasts are subject to the assumption of traffic growth in Paris Aéroport and the good run of TAV Airports' strategy.

The transfer of commercial flights from Atatürk airport to the new Istanbul airport took place on 6 April 2019. Therefore, as this is a discontinued operation under the norm IFRS 5, the contribution of this airport in 2019

will not be included in EBITDA, but fully in income from discontinued operations (in non-operating income).

In 2018, the contribution of TAV Istanbul, the entity holding the Atatürk operating contract, is €471 million in revenue, €263 million in EBITDA, €97 million in Operating income from ordinary activities (after PPA impacts).

## 13.3 STATUTORY AUDITORS' REPORT ON THE PROFIT FORECASTS FOR THE YEAR ENDED DECEMBER 31, 2019

*This is a free translation into English of the statutory auditor's report issued in the French language and it 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" forecasts for 2019 of Aéroports de Paris as set out in Paragraph 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
- ◇ the 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.

Paris-La Défense, April 2, 2019

The Statutory Auditors  
French original signed by

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

Christophe PATRIER

Olivier BROISSAND

Alain PERROUX

Alban DE CLAVERIE



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## ADMINISTRATION AND EXECUTIVE MANAGEMENT BODIES

### 14.1 BOARD OF DIRECTORS <sup>[AFR]</sup>

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## 14.1 BOARD OF DIRECTORS <sup>[AFR]</sup>

Since 22 July 2005 Aéroports de Paris has been a public limited company with a Board of Directors.

### Composition of the Board of Directors 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 General Meeting of Shareholders, one director representing the French State, three 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 Shareholders of 15 May 2014, renewed the mandates of Augustin de Romanet, Jacques Gounon

and Jos Nijhuis and appointed Vinci, represented by Xavier Huillard, and Predica Prévoyance Dialogue du Crédit Agricole, represented by Françoise Debrus. The co-optation of Jacoba van der Meijs by the Board of Directors on 23 May 2017 was ratified by the Annual General Meeting of Shareholders on 4 May 2018.

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 Shareholders of 11 May 2017 appointed the following on proposal of the French State: Michel Massoni, Geneviève Chauv Debry, and Denis Robin (who resigned as of 30 October). 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 was appointed non-voting Board member by the General Meeting of Shareholders of 11 May 2017. He resigned as of 12 April 2018.

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.

## Summary presentation of the Board of Directors

Personal information						Position on the Board of Directors					Committee members		
Age	Gender	Nationality	Number of shares as of 31/12/2018	Number of mandates in listed companies	Non-independent	Independent	Initial date of appointment	Expiry of the mandate	Seniority on the Board	Audit and Risk Committee	Investment Committee	Strategy and Governance Committee	The Compensation, Appointments and Governance Committee
<b>CHAIRMAN AND CEO</b>													
◇ The current mandate came into effect on 15 July 2014, for a term of five years													
Augustin de Romanet	57	Male	French	300	2	Chairman and CEO	29/11/2012	20/05/2019	6 years				Chairman X
<b>DIRECTORS APPOINTED BY THE GENERAL MEETING OF SHAREHOLDERS</b>													
◇ The mandate came into effect on 15 July 2014, for a period of five years													
Jacques Gounon	65	Male	French	300	2	Independent director	02/07/2008	20/05/2019	10 years				Chairman X
Jacoba van der Meijs	52	Female	Dutch	1	1	Executive officer of Royal Schiphol Group, whose Board of Directors includes an ADP director	23/05/2017	20/05/2019	1 year				
Jos Nijhuis	61	Male	Dutch	1	1	Former executive officer of Royal Schiphol Group, whose Board of Directors includes an ADP director	28/05/2009	20/05/2019	9 years				X
Vinci represented by Xavier Huillard	64	Male	French	7,916,848	2	Significant business relationship	15/07/2014	20/05/2019	4 years				X
Predica represented by Françoise Debrus	58	Female	French	5,051,791	3	Independent director	15/07/2014	20/05/2019	4 years		X		Chairwoman X
<b>DIRECTOR REPRESENTING THE FRENCH STATE, APPOINTED BY DECREE ON 11 MAY 2017</b>													
◇ The mandate came into effect on 11 May 2017, for a period of five years													
Solenne Lepage	46	Female	French	0 <sup>1</sup>	2	Majority shareholder	24/09/2012	2022 General Meeting	6 years		X	X	X
<b>DIRECTORS APPOINTED BY THE GENERAL MEETING OF SHAREHOLDERS OF 11 MAY 2017, ON PROPOSAL BY THE FRENCH STATE</b>													
◇ The mandate came into effect on 11 May 2017, for a period of five years													

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Personal information						Position on the Board of Directors							
Age	Gender	Nationality	Number of shares as of 31/12/2018	Number of mandates of in listed companies	Independence as defined in the AFEP-MEDEF Code		Initial date of appointment	Expiry of the mandate	Seniority on the Board	Committee members			
					Non-independent	Independent				Audit and Risk Committee	Investment Committee	Strategy and Appointments and Governance Committee	
Geneviève Chauv Deby	60	Female	French	0 <sup>1</sup>	1	Representative of the interests of the French State, shareholder		15/07/2014	2022 General Meeting	4 years		X	
Michel Massoni	68	Male	French	0 <sup>1</sup>	1	Representative of the interests of the French State, shareholder		26/04/2013	2022 General Meeting	5 years			
Denis Robin, resigned as of 30 October 2018	59	Male	French	0 <sup>1</sup>	1	Representative of the interests of the French State, shareholder		22/04/2015	2022 General Meeting	3 years			
Perrine Vidalenche	62	Female	French	0 <sup>1</sup>	1	Representative of the interests of the French State, shareholder		11/05/2017	AG 2022	1 year			

#### DIRECTORS REPRESENTING EMPLOYEES

◆ The mandate came into effect on 15 July 2014, for a period of five years

Brigitte Blanc (CGT union)	56	Female	French	0 <sup>2</sup>	0	Not included in the calculation		15/07/2014	15/07/2019	4 years			
Laurence Arrrieu (CFE/CGC union)	58	Female	French	0 <sup>2</sup>	0	Not included in the calculation		23/02/2018	15/07/2019	1 year		X	
Serge Gentili (FO union)	62	Male	French	0 <sup>2</sup>	0	Not included in the calculation		15/07/2009	15/07/2019	9 years			
Frédéric Gillet (CFE/CGC union)	46	Male	French	0 <sup>2</sup>	0	Not included in the calculation		15/07/2014	15/07/2019	4 years	X		
Jean-Paul Jouvent (UNSA/SAPAP union)	57	Male	French	0 <sup>2</sup>	0	Not included in the calculation		18/12/2008	15/07/2019	10 years			X
Joël Vidy (CGT union)	58	Male	French	0 <sup>2</sup>	0	Not included in the calculation		01/03/2018	15/07/2019	1 year		X	

<sup>1</sup> The directors representing the interests of the French State as a shareholder, are exempted from holding a minimum number of Company shares as set out in the Articles of Association (Articles 5 and 6 of order no. 2014-948 of 20 August 2014).

<sup>2</sup> The directors representing the employees are exempted from holding a minimum number of Company shares as set out in the Articles of Association (Article 21 of Law 83-675 of 26 July 1983).

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 2018 financial year are available in the report on corporate governance, in Appendix 2 of this Registration Document, in the section on Governance.

On 1<sup>st</sup> February 2019, the following changes were made:

- ◆ following the meeting of the Board of Directors on 24 January 2019, Christophe Mirmand replaces Denis Robin as Director designated by the French State;
- ◆ on 1 February 2019, Christelle Martin replaces Serge Gentili as a director representing employees.



**// CHRISTOPHE MIRMAND****DATE OF BIRTH :**  
22 July 1960**NATIONALITY :**  
French**OTHER MANDATES AND DUTIES CURRENTLY HELD**

- ◇ Deputy secretary general at the Ministry of Interior
- ◇ Prefect (“hors classe”)

**DATE OF FIRST APPOINTMENT:**  
24 January 2019 replacing Denis Robin**START DATE OF CURRENT MANDATE:**  
11 May 2017**MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS**

- ◇ Prefect of Bretagne, Prefect of the defense zone of West
- ◇ Prefect of Ile-et-Vilaine from April 2016 to November 2018

**// CHRISTELLE MARTIN****DATE OF BIRTH:**  
11 June 1973**NATIONALITY:**  
French**OTHER MANDATES AND DUTIES AVERAGE RATE**

- ◇ Luggage coordinator

**DATE OF FIRST APPOINTMENT:**  
1<sup>st</sup> February 2019 replacing Serge Gentili**START DATE OF CURRENT MANDATE:**  
15 July 2014 (election of 20 May 2014)**SPONSORED BY THE:**  
FO union**MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS**

- ◇ Commercial agent
- ◇ None

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## Proposal to appoint directors and non-voting Board members at the General Meeting of Shareholders of 20 May 2019

The Board of Directors of 27 March 2019 proposes to submit to the General Meeting of Shareholders of 20 March 2019 the following candidates:

- ◇ as directors: Augustin de Romanet, Jacques Gounon, Dick Benschop, Jacoba van der Meijs, Fanny Letier, the company Vinci and the company Predica Prévoyance Dialogue of Crédit Agricole;
- ◇ as non-voting Board members: Anne Hidalgo, Valérie Pecresse, Christine Janodet and Patrick Renaud.

## 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 Jabine Van der Meijs, 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 Jabine Van der Meijs, 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;
- ◆ 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 Jabine Van der Meijs, 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).



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## COMPENSATION AND BENEFITS OF CORPORATE OFFICERS

<b>15.1 CORPORATE OFFICER COMPENSATION</b>	<b>129</b>	Compensation paid to directors	132
2019 executive officer compensation policy	129	Compensation paid to non-voting Board members	132
Amount of compensation payable and paid to corporate officers during the 2018 year	130	<b>15.3 SHARES IN THE COMPANY HELD BY THE DIRECTORS AND NON-VOTING MEMBERS OF THE BOARD</b>	<b>133</b>
<b>15.2 COMPENSATION PAID TO BOARD MEMBERS AND NON VOTING BOARD MEMBERS</b>	<b>132</b>	<b>15.4 COMPENSATION OF EXECUTIVE COMMITTEE MEMBERS</b>	<b>133</b>

### 15.1 CORPORATE OFFICER COMPENSATION

#### 2019 executive officer compensation policy

The compensation of the Chairman and CEO for 2019 was agreed by the Board of Directors on 12 December 2018 on the advice of the Compensation, Appointments and Corporate Governance Committee, and approved on 10 January 2019 by the French Minister of the Economy, in compliance with Article 3 of Decree no. 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 20 May 2019 fail to approve the resolution on the 2019 compensation policy for the Executive Officer,

the principles and criteria previously approved by the General Meeting of Shareholders of 4 May 2018 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 2019 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, including TAV (weight: 25%), Group ROCE, including TAV and AIG (15%) and departing passenger satisfaction (10%). The performance level for each of these objectives ranges from 70% (nil below this) to 110%.

- ◇ Four qualitative objectives:
  - ◆ support for the potential privatisation process provided for in the PACTE law, ensuring the involvement of management and of Company employees (20%),
  - ◆ Groupe ADP's attractiveness and customer service policy in favour of airlines and passengers, notably the continuation of the CDG Express project and the launch of the Terminal 4 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; make CSR a driver for Group transformation; mobilise to prevent workplace accidents,
  - ◆ the strategy and management policy for subsidiaries and affiliates (10%): management of the international and investment strategy, in particular, in support of TAV after the end of the Istanbul Atatürk concession.

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 2019 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 2020 (and called to approve the financial statements for the year ended 31 December 2019) 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 and CEO.

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. 2012-915 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 and CEO could enable the statutorily authorised ceiling to be reached: the maximum amount is therefore predefined by the Board of Directors at €100,000 and expressed as a directly readable monetary value.

## Amount of compensation payable and paid to corporate officers during the 2018 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 2018, in application of the criteria approved in the 17<sup>th</sup> resolution of the General Meeting of Shareholders of Aéroports de Paris of 4 May 2018. 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 2018 will be conditional on approval by the Annual General Meeting of Shareholders to be held on 20 May 2019.

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 (20%), departing passenger satisfaction (10%) and three qualitative objectives: the Groupe ADP attractiveness and customer service policy in favour of airlines and passengers, notably by the continuation of the CDG Express project (10%), corporate social responsibility, including managerial mobilisation and employee safety (10%) and the strategy and management policy for subsidiaries and affiliates, notably internationally (25%).

Achievement of each of these objectives will be reviewed by the Board of Directors on 14 February 2019, 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, respectively, as follows: 110% for the quantitative objectives (including Group EBITDA = 110%, Group ROCE = 110%, Customer satisfaction at departure = 110%) and 109% for the qualitative objectives (including attractiveness and customer service policy = 110%, Corporate Social Responsibility = 80%, and Strategy and management policy for subsidiaries and affiliates = 120%).

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.



The table below summarises the information about the corporate officers:

Executive Officers	Contract of employment		Supplementary pension scheme		Indemnities or benefits due or likely to be due as a result of departure or change in role		Indemnities relating to a non-competition clause	
	yes	no	yes	no	yes	no	yes	no
<b>Augustin de Romanet</b> Chairman and CEO Start of mandate: 15/07/2014 End of term of office: at the 2019 Annual General Meeting, called to approve the financial statements for the financial year ended 2018								
			x				x	
				x				x

## Augustin de Romanet

(in euros)

	2018	2017
Compensation due for the financial year	456,165	456,165
Exercising of options allocated during the course of the financial year	-	-
Exercising of performance-related options allocated during the course of the financial year	-	-
Severance package	None	None
Non-competition benefit	None	None
Supplementary pension scheme	None	None
<b>TOTAL</b>	<b>456,165</b>	<b>456,165</b>

(in euros)	2018		2017	
	Amounts due <sup>1</sup>	Amounts paid <sup>2</sup>	Amounts due	Amounts paid
Fixed compensation	350,000	350,000	350,000	350,000
Variable compensation	100,000	100,000	100,000	95,500
Differed variable compensation	None	None	None	None
Exceptional compensation	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	6,165	6,165	6,165	6,165
<b>TOTAL</b>	<b>456,165</b>	<b>456,165</b>	<b>456,165</b>	<b>456,165</b>

<sup>1</sup> Subject to approval by the Annual General Meeting of Shareholders of the Company of 20 May 2019.

<sup>2</sup> The components of variable compensation will be paid after approval by the Annual General Meeting of Shareholders as part of Say on Pay, ex post.

## 15.2 COMPENSATION PAID TO BOARD MEMBERS 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. Augustin de Romanet waived attendance fees in his capacity as a director of Aéroports de Paris.

The non-voting Board members, appointed by the General Meeting of Shareholders, received attendance fees for 2016 paid in 2017.

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 2008. The new provisions were effective as of 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 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:

- ◇ Directors: 1,700€;
- ◇ Chairman: 2,500€.

Augustin de Romanet waived attendance fees in his capacity as a director of Aéroports de Paris.

Gross amount (in euros)	2018	2017
Jacques Gounon	32,000	48,310
Els de Groot (until 22 May 2017) <sup>1</sup>	-	2,860
Jacoba van der Meijs (since 23 May 2017) <sup>1</sup>	5,100	6,800
Vinci represented by Xavier Huillard	17,000	17,620
Jos Nijhuis <sup>1</sup>	17,800	15,920
Augustin de Romanet	-	-
PREDICA represented by Françoise Debrus	28,800	41,840
Director appointed by government decree - Solenne Lepage	30,600	32,300
Director proposed by the State and appointed by the General Meeting of Shareholders - Geneviève Chaux-Debry	20,400	17,000
Director proposed by the State and appointed by the General Meeting of Shareholders - Michel Massoni	15,300	11,900
Director proposed by the State and appointed by the General Meeting of Shareholders - Denis Robin, resigned as of 30 October 2018	5,100	6,800
Director proposed by the State and appointed by the General Meeting of Shareholders - Perrine Vidalenche	13,600	11,900
<b>TOTAL</b>	<b>185,700</b>	<b>213,250</b>

<sup>1</sup> 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.

The Non-voting Board members appointed by the General Meeting of Shareholders waived attendance fees as part of 2017 and 2018 financial year respectively paid in 2018 and 2019.

Gross amount (in euros)	2018 Financial year	2017 Financial year
Anne Hidalgo	0	0
Bernard Irion	7,650	7,960
Christine Janodet	5,950	7,110
Gilles Leblanc (from 11 May 2017 to 12 April 2018)	850	2,550

## 15.3 SHARES IN THE COMPANY HELD BY THE DIRECTORS AND NON-VOTING MEMBERS OF THE BOARD

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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.

## 15.4 COMPENSATION OF EXECUTIVE COMMITTEE MEMBERS

The total gross amount (excluding employers' contributions) of compensation and benefits (fixed and variable compensation, incentive bonus, profit sharing, additional contributions, benefits in kind) of the members of the Executive Committee totalled €3,685 million in 2018 for 12 members sitting as of 31 December, compared with €4,069 million in

2017 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 2018 and the remaining balances of all types for members who left it during fiscal 2018. 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 <sup>AFR</sup>

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## 16.1 FUNCTIONING OF THE BOARD OF DIRECTORS AND MANAGEMENT BODIES <sup>AFR</sup>

### 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](http://www.parisaeroport.fr). They specify the powers of the Board of Directors and its members, and its mode of operation, as well as that of its specialised committees: the Audit and Risk Committee, the Strategy and Investments Committee and the 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 and European 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 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 and 2018, the Board of Directors decided to undertake an internal assessment, the conclusions of which were reported during the Board of Directors' meetings of 20 December 2017 and 12 December 2018. The members of the Board of Directors were positive about the conditions under which 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 improve the monitoring of subsidiaries and affiliates and to develop CSR beyond simple compliance with regulations. In order to meet the recommendations resulting from the internal assessment of 2017, it has focused, in particular, on implementing monitoring of its equity investment in TAV, given its full consolidation.

## 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, modified on 24 January 2019, 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](http://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).

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## 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 2018

The Board of Directors met eight times in 2018 with an attendance rate of 90%, to discuss the following subjects, in particular:

- ◇ governance, in particular with:
  - ◆ 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,
  - ◆ the compensation of the Chairman and CEO, with review of:
    - ◆ the achievement of objectives and the setting of the amount of variable compensation for 2017,
    - ◆ 2019 compensation: the amounts of the fixed and variable components and the associated objectives,
  - ◆ 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 4 May 2018,
  - ◆ review of the Rules of Procedure of the Board of Directors,
  - ◆ approval of the corporate governance report for the 2017 financial year,
  - ◆ the report of the Chairman and CEO on the road shows, notably regarding corporate governance topics,
  - ◆ the authorisations required prior to the signing of regulated agreements, re-examination of the regulated agreements authorised previously and in force in 2018,
  - ◆ the report of the Chairman of the Audit and Risk Committee on its mission to prevent conflicts of interest,
  - ◆ the creation of an *ad hoc* committee to review aspects of the Aéroports de Paris - Charles de Gaulle - Terminal 4 project;
- ◇ the management of the business and, in particular, approval of the company and consolidated financial statements for 2017 and the interim financial statements for 2018, adoption of the management report for 2017, preparation of the management planning documents and the report on the development of Aéroports de Paris, update of the Group's consolidated budget forecast for 2018, preparation of the Group's budget for 2019, setting the airport fees for the period from 1 April 2019 to 30 March 2020, the annual authorisation of sureties, endorsements and guarantees, authorisation of bond issues, payment of an interim cash dividend for the 2018 financial year;
- ◇ the Group's strategy and review of risks with, notably, a progress report on the "Connect 2020" strategic plan as of 31 December 2017, the 2019-2023 investment programme and related financing plan, the Board of Directors' response to the opinion of the Works Committee, review of the main investment projects (CDG Express project, etc.), presentation of the main issues for the Terminal 4 project and the status of Groupe ADP's risk mapping in 2018;
- ◇ international development with, notably:
  - ◆ the regular update on TAV Airports,
  - ◆ participation in the call for tenders for the international airports concession;
- ◇ Aéroports de Paris' contribution to the French Compensation Fund for Airport Nuisance (FCNA);
- ◇ CSR, and notably Aéroports de Paris' policy in terms of non-discrimination and diversity, in particular with respect to the balanced representation of women and men in management bodies and in terms of professional equality and equal pay, safety at work and the 2017 materiality study; the most significant CSR stakes and the Ethics and Compliance programme.

## 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.

## 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 on the powers of the Chairman and CEO 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 and CEO 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 the Groupe ADP; definition of the purpose and profitability of those investment projects directly carried out by Aéroports de Paris SA as set in article L. 233-3 of the French Commercial Code:
  - ◆ in France - investments of more than €60 million,
  - ◆ in foreign countries - investments of more than €50 million;
- ◇ the principles of allocation of airlines between airports or terminals; the approval of contracts as laid down in articles 2 and 3 of law n°2005-357 of 20 April 2005 in respect of airports;
- ◇ pricing: approval of the 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.

## 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:

- ◇ Deputy CEO: Edward Arkwright;
- ◇ Deputy Chief Executive Officer: Henri-Michel Comet;
- ◇ Executive Director, Director of Paris-Charles de Gaulle airport: Marc Houalla;
- ◇ Executive Director – Finance, Strategy and Administration: Philippe Pascal;
- ◇ Director of the Customer Division: Mathieu Daubert;
- ◇ Chief International Officer: Fernando Echegaray;
- ◇ Real Estate Director: Serge Grzybowski;
- ◇ Communication Director: Élise Hermant;
- ◇ Director of Paris-Orly Airport: Régis Lacote;
- ◇ Director of information systems: Gilles Lévêque;
- ◇ Director, Engineering & Development: Guillaume Sauve;
- ◇ Director of human resources: Hervé Wattencamps.

## 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).

Since June 2018, Augustin de Romanet is an administrator of the endowment fund named "Institut pour l'Innovation Économique et Sociale" (2IES) and President of the Board of Directors of the Paris Europlace association. Acting as lead director of the listed company SCOR, he is President of the remuneration and risk management committee as well as member of the strategic 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.

**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. He was also appointed Corporate Secretary of the Groupe ADP since the 1<sup>st</sup> of July 2018. 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. He was appointed Director of Paris-Charles de Gaulle on 12<sup>th</sup> February 2018

Marc 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. Since 12 March 2018, he has been a member of the Board of Directors of Média Aéroports de Paris (SAS, joint venture with JC Decaux) and a member of the Board of the Société de Distribution Aéroportuaire (SAS, joint venture with Lagardère). Marc HOUALLA has also been a member of the Management Committee of CCS France SAS, since 12 August 2018. 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 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 (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").

**Mathieu DAUBERT**, born on 23 July, 1971 is a graduate of the French business school HEC. He started his career in strategy consulting in London in 1995. In 1996, he joined Le Bon Marché store in Paris, where he held successive positions in sales, purchasing and organization services. From 2002 to 2007, he worked at the Printemps central office as a collection manager. In July 2010, he was appointed as Head of Retail of Groupe ADP. Then, from 7 May 2018 he was appointed Director of the Customer Division in May

2018. Since 2012, he is the co-president of ADPLS (SARL, jointly controlled with Lagardère Travel Retail which assures the presidency of Relay@ADP and Société de Distribution Aéroportuaire). He is a member of the Board of Directors of Média Aéroports de Paris (SAS, jointly controlled with JC Decaux) and the Fonds de Dotation de l'Espace Musées

**Fernando ECHEGARAY**, born on 25 November 1959, is an industrial engineer graduate from the Polytechnic University of Barcelona and is a graduate IT engineer from the University of the Balearic Islands. He is also a graduate in corporate management and administration from IESE Business School. From 1985 to May 2017, Fernando ECHEGARAY held different positions of responsibility within the Spanish airport management company, AENA. Having occupied the position of Deputy Director of Palma de Majorca airport, in 2000, he became Operations Director for Grupo Aeroportuario del Pacífico in Mexico. From 2003 to 2004, he was Chief Executive Officer of Tenerife-South airport, then from 2004 to 2006, he became Chief Executive Officer of the Canary Islands airports. Between 2006 and March 2012, he occupied the position of Chief Executive Officer of Barcelona El Prat International Airport then from April 2012 to June 2017, he was Director for AENA Group's entire Spanish network. Fernando ECHEGARAY joined Groupe ADP in July 2017. Since 1 May 2018, he has been Chief Executive Officer of ADP International SA and the Group's Chief International Officer. He is also Chairman of the Board of Directors of ADP Ingénierie SA (subsidiary of ADP International) and Chairman of Philippines Airport Management Company SAS (subsidiary of ADP International). He is Chairman of the Supervisory Board of MZLZ (the concession holder of Zagreb airport), member of the Board of Directors of ZAIC-A limited (sole shareholders of the company holding the concession for Zagreb airport), member of the Board of Directors of Nuevo Pudahuel (company holding the concession for Santiago airport in Chile) and member of the Board of Directors of AIG, in which Aéroports de Paris has a majority stake. Since July 2017, Fernando ECHEGARAY has been a member of the Board of Directors of TAV Airports, in which he became Vice-Chairman on 27 April 2018. Fernando ECHEGARAY has received the White Civil Merit Medal from the Spanish Civil Guard (2007), the Order of Civil Merit from King Juan Carlos of Spain (2010) and the Silver Medal from the Barcelona Chamber of Commerce (2012).

**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 Hélin, 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 CŒUR 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. Since October 2018, he has been a member of the Supervisory Board of OGIC SA. He has also been an alternate director for Unedic since January 2018. Serge Grzybowski is a Knight of the National Order of Merit and a Knight 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 Technology SAS.

**Guillaume SAUVÉ**, 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 Aéroports 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).

In May 2018, Guillaume SAUVÉ became a Knight of the National Order of Merit.

**Hervé WATTECAMPS**, born on 18 January 1959, is a graduate from the École spéciale militaire de Saint Cyr (Saint Cyr Military Academy) and the École de Guerre (War School). He started his career with 20 years of operational and management experience within the chasseurs alpins (Alpine infantrymen). He commanded the 27<sup>th</sup> mountain infantry brigade from 2010 to 2012. Hervé WATTECAMPS also has 15 years' expertise in the human resources field. In 2012, he became director of the infantry and artillery officer and non-commissioned officer training schools. From 2015 to June 2018, he was Human Resources Director for the French Army, member of the Executive Committee. He devised and conducted change management for the institution's human resources. Hervé WATTECAMPS joined Groupe ADP on 9 July 2018 as Human Resources Director. Hervé WATTECAMPS is an Officer of the Légion d'honneur.

## 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. On 21 November 2018, the Board of Directors created an *ad hoc* committee to review aspects of the Aéroports de Paris - Charles de Gaulle - Terminal 4 project (its composition is shown in the summary table). The purpose of the committees is to contribute to the preparation of the Board of Directors' decisions by issuing opinions that are then presented to the Board. The chairmen of the committees or a member appointed by them shall report to the Board of Directors on the proceedings and the opinions rendered by the said committees. Their powers and specific modalities of operation are described in the rules of procedure that can be consulted at [www.parisaeroport.fr](http://www.parisaeroport.fr). Their composition and activity during financial year 2018 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. 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 Company and Group management or they may hire experts or external advisers, as need be. Committees must, however, ensure the objectivity of the outside experts or consultants concerned.

### Audit and Risks Committee

#### Composition

The rules of procedure require that Aéroports de Paris 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.

At 31 December 2018 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 the accuracy and truthfulness of the company and consolidated financial statements and oversees the preparation of financial and extra-financial information. It monitors the Statutory Auditors through completion of their missions and ensures their independence. It monitors the effectiveness of the internal control and risk management systems, including those of a social and environmental nature, as well as 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 (notably responsible for CSR subjects), 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 2018

The Audit and Risk Committee meets at least four times a year and as often as necessary, and can only meet if half of its members are present. In 2018, it met six times with an attendance rate of 83%. The Statutory Auditors attended all of the committee meeting.

During its meetings, the committee examined in particular files relating to:

- ◇ the closing of the 2017 company and consolidated financial statements and 2018 half-yearly financial statements, the adoption of the 2017 management report, the update of the 2018 consolidated budget forecast, the establishment of management planning documents and the progress report on the development of Aéroports de Paris, the 2019 consolidated budget, the setting of the airport fees for the period from 1 April 2019 to 30 March 2020, the appropriation of 2017 income, the setting of the dividend, the distribution of interim dividends and financial delegations;
- ◇ the corporate governance report for the 2017 financial year;
- ◇ the status of 2018 risk mapping for the Group and its subsidiaries, the summary of the 2017 internal audit activity and the Audit Department's 2018 audit programme;
- ◇ the Ethics and Compliance action plan;
- ◇ review of the Rules of Procedure of the Board of Directors;
- ◇ monitoring of off-balance sheet commitments by monitoring sureties, endorsements and guarantees;
- ◇ authorisation for bond issues in 2019;
- ◇ monitoring of the main investment projects (CDG Express, etc.);

◇ international development, notably:

- ◆ regular update on TAV Airports,
- ◆ the increased stake in the capital of Airport International Group (AIG) in Jordan, bringing Groupe ADP's share to 51% of the capital,
- ◆ the participation in the call for tenders for the international airports concession;
- ◆ the Audit and Risk Committee's approval process for services other than certification of the financial statements provided by the Statutory Auditors 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 2018 it consisted of the following six members: Augustin de Romanet, Chairman, Geneviève Chauv Debry, Laurence Arrieu, Solenne Lepage, Joël Vidy 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;
- ◇ 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 2018

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 2018, it met five times with an attendance rate of 77%. Notably, a strategic seminar of the Board of Directors was also held on 21 November 2018.

During its meetings, it has in particular covered:

- ◇ the Group's strategy and investments as illustrated by the progress report of 31 December 2017 on the "Connect 2020" strategic plan, by the 2019-2023 investment programme and the related financing plan and the review of the main investment projects (CDG Express, etc.);
- ◇ review of the Rules of Procedure of the Board of Directors;
- ◇ international development with, notably the regular update on TAV Airports, participation in the call for tenders for international airport concessions.

## 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.

At 31 December 2018 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 study and formulate proposals on the amount of, and change in, total compensation (and each of its components) 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 for the remuneration of non-voting Board members. It proposes to the Board of Directors a policy for the reimbursement of expenses incurred to carry out the duties of a director.

The Committee is responsible for making proposals to the Board after an in-depth review of all elements to be taken into account for its deliberation, notably given the composition and changes in the Company's shareholding, in order to ensure the balanced composition of the Board: balanced representation of women and men, nationalities, international experience, expertise, etc. It organises, in particular, a procedure for selecting future independent directors and undertakes its own investigation of potential candidates before contacting them. It must debate the qualifications of independent directors and implement a formal assessment of the operation of the Board of Directors.

The Committee is responsible for preparing a succession plan for the Executive Officers.

## The activity of the Compensation, Appointments and Governance Committee in 2018

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 2018, it met twice with an attendance rate of 100%.

During its meetings, the committee debated on such items as:

- ◇ governance, in particular with:
  - ◆ 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,
  - ◆ internal appraisal of the operation of the Board of Directors,
  - ◆ the compensation of the Chairman and CEO with:
    - ◆ variable compensation for 2017 – achievement of objectives and amount of the variable component,
    - ◆ 2018 compensation: amount of the fixed component and estimate of the achievement of the objectives for the variable component,
    - ◆ 2019 compensation: setting the amount of the fixed component and the amount and objectives for the variable component,
    - ◆ submission to the Annual General Meeting of Shareholders of the ex-ante and ex-post resolutions on Chairman and CEO compensation,
    - ◆ review of the succession plan for the Executive Officer and of the management continuity measures;
- ◇ attendance fees: final amounts and allocation for the 2017 financial year and estimate of the amount for 2018;
- ◇ summary of the expenses incurred by the members of the Board of Directors in 2018;
- ◇ the compensation policy for members of the Executive Committee.

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## Ad-hoc committee – Terminal 4 project

### Composition

On 21 November 2018, the Board of Directors created an Ad-hoc Committee – Terminal 4 Project.

At the date of filing of this Registration Document, the Committee consisted of seven members: Jos NIJHUIS, its Chairman, Laurence ARRIEU, Françoise DEBRUS, permanent representative of Predica, independent director, Jean-Paul JOUVENT, Solenne LEPAGE, Michel MASSONI and Bernard IRION, non-voting Board member.

### Tasks and functioning

The Ad-hoc Committee – Terminal 4 Project has the task of reviewing aspects of the Paris-Charles de Gaulle Airport's Terminal 4 project, as required, without prejudice to the tasks of the Strategy and Investment Committee and the Audit and Risk Committee.

### The activity of the Ad-hoc Committee in 2018

The Ad-hoc Committee meets as often as necessary and can only meet if half its members are present. In 2018, it met once, with an attendance rate of 71%, and once at the start of 2019, with an attendance rate of 86%.

During its meetings, the Committee examined the objectives, framework and modalities for the prior consultation of the Terminal 4 project.

## 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 <http://consultation.codeafepmedef.fr>) 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.





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# SOCIAL, ENVIRONMENTAL AND SOCIETAL RESPONSIBILITY INFORMATION

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## 17.1 AÉROPORTS DE PARIS CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Since 2015, Groupe ADP has been the European benchmark for CSR amongst major airport operators. Its aim is to become the world benchmark. Its project: reconcile economic growth, meeting its stakeholders' expectations and environmental protection.

It conducts its policy in accordance with ISO 26000 guidelines, a benchmark for its CSR performance, and continues to deploy the policy within the scope of its main airport subsidiary, TAV Airports, 46.2% owned since July 2017.

Its CSR charter, signed by the Chairman and CEO, and the governance of its wholly-owned subsidiaries is organised around six focuses:

- ◇ 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.

Its CSR policy covers five areas: governance, human capital, customers/purchases, environment and community involvement. In line with the Group's Connect 2020 strategic plan, it includes CSR performance targets, including specifically:

- ◇ the reduction in the Group's environmental footprint;
- ◇ employee involvement;
- ◇ customer satisfaction;
- ◇ improving its extra-financial rating.

### Stakeholder dialogue: materiality study on CSR challenges

The results of the materiality study carried out at the end of 2017 via an on-line survey were published on the Group's internet site ([parisaeroport.fr/groupe/rse/materialite-des-enjeux-rse](https://www.parisaeroport.fr/groupe/rse/materialite-des-enjeux-rse)). Sent to 8,000 stakeholders, the study included 23 issues grouped into four themes:

- ◇ exemplary airport management;
- ◇ well-being of platform employees;
- ◇ environmental preservation;
- ◇ commitment to regions.

2,000 stakeholders responded. They considered several CSR themes to be very important (score higher than 8/10): good governance and business ethics, preservation of natural environments and air quality, fight against climate change, work safety and security, as well as public and airport security, accessibility to airport zones and the quality of the welcome and service to passengers.

### Sustainable development goals

Groupe ADP set itself 11 sustainable development goals (SDG) in 2018, in line with the goals adopted by the UN in 2015 to achieve a better and more sustainable future by 2030:

- ◇ quality education (UN SDG 4);

- ◇ gender equality (SDG 5);
- ◇ clean water and sanitation (SDG 6);
- ◇ affordable and clean energy (SDG 7);
- ◇ decent work and economic growth (SDG 8);
- ◇ innovation and infrastructure (SDG 9);
- ◇ sustainable cities and communities (SDG 11);
- ◇ responsible consumption (SDG 12);
- ◇ climate action (SDG 13);
- ◇ preservation and restoration of land ecosystems (SDG 15);
- ◇ partnerships for the goals (SDG 17).

An action programme and dedicated reporting will be deployed from 2019.

### The fight against tax fraud

Present in around 20 countries, Groupe ADP deploys its tax policy according to three main principles:

- ◇ prevalence of the business activity;
- ◇ fair taxation of operations;
- ◇ management of tax risks.

Its policy is in line with OECD standards which aim, on the one hand, to locate and tax revenue in the country where the business is carried out and, on the other, to improve transparency and the level of information on transfer prices, notably via Country by Country Reporting (CBCR) to eliminate all tax evasion situations. As a matter of principle, the Group rejects investments in tax havens or countries considered to be uncooperative for tax purposes unless these investments are justified by real economic activities (for example, an airport) other than tax savings (for more information, see the internet site <https://www.parisaeroport.fr/groupe/rse/gouvernance>).

### Governance and ethics

In 2018, Aéroports de Paris SA deployed an Ethics and Compliance action plan validated by the Executive Committee, the Board of Directors and its Audit and Risk Committee. As ethics and compliance firstly require a change in culture rather than a change in procedures, this plan attaches considerable importance to exemplary management, awareness raising and training, along with employee understanding and perception. It is based on seven focuses implemented from 2018.

The duty of vigilance and the prevention of corruption and conflicts of interest are the priorities defined for 2018 and 2019.

Risks related to Ethics and Compliance are described in the Risk factors chapter.

The Ethics Direction was created to accomplish its missions within Aéroports de Paris and its subsidiaries.

## The vigilance plan

Both Aéroports de Paris and TAV Airports signed the UN Global Compact. Aéroports de Paris has also signed, in 2015, the charter against racism made by the Défenseur des droits.

For Groupe ADP, ethics and compliance cover compliance with laws and regulations and the Group's four values: trust, commitment, boldness and openness. As a signatory of the UN Global Compact since 2003, it develops its activity in accordance with the Compact's ten principles on human rights, work standards, environmental protection and the fight against corruption.

Subsidiaries and companies controlled within the meaning of Article L. 233-16 of the French Commercial Code are concerned along with leading service providers with which the Group has a long-term business relationship and for which social, environmental and ethics risk mappings covering corruption have been drawn up.

The vigilance plan includes measures for the subsidiaries, France sites and suppliers. All Group employees and suppliers may use the whistle blowing mechanism deployed in 2018.

### Measures for subsidiaries

A consolidated environmental risk mapping for our Paris-Charles de Gaulle, Paris Orly and Paris-Le Bourget airports has been prepared. It is based on environmental analyses, events having occurred, monitoring reporting on our environmental and energy policy and the risk mappings drawn up for each airport.

This mapping has enabled the Group to:

- ◆ identify the main environmental risks (soil and water pollution, layouts, waste, air) to which our three airports are subject;
- ◆ rate each risk;
- ◆ list the management resources implemented for each risk.

### Measures applicable to sites in France

The Ethics Department has worked closely with the Legal and Insurance Department to establish the level of compliance of international subsidiaries. In line with the ISO 26,000 guidelines, which cover the law's main thematic issues, the analysis for AIG and TAV Airport identified the local laws, detected risks and actions already implemented on:

- ◆ human rights: fundamental principles and working rights;
- ◆ working conditions and relations: employer/employee relations, working conditions and social protection, workplace health and safety, development of human resources and professional training;
- ◆ the environment: prevention of pollution, environmental monitoring, mitigating climate change, protection of biodiversity and ecosystems, noise pollution management.

Based on this analysis, working groups will be organised to set the modalities and time periods within which the subsidiaries will be able to implement the Group's major commitments that have not already been fully taken into account. Regular updates will enable project progress to be monitored.

### Measures for suppliers

#### THE SUPPLIER CSR CHARTER

Deployed since 2014 and signed by all suppliers under contract, the Supplier CSR Charter makes it possible to promote and share with suppliers the major directional policies, values and CSR commitments of Groupe ADP.

In 2018, the charter was updated to include the stricter requirements set by the anticorruption (Sapin 2) law and the law on the duty of vigilance to prevent social, environmental and energy CSR risks. Audits and monitoring plans were also strengthened in this new version of the charter linked to all new contracts since November 2018.

#### THE PURCHASING RISK MAPPING WITH REGARD TO SOCIAL ASPECTS

This mapping identifies the services most at risk with regard to their social impact by purchasing segment. For these segments with significant social challenges, company offers are assessed based on criteria analysing their performance in terms of workplace health and safety, their employment policy and their HR management (between 5% and 10% of the score). Candidate companies to calls for tender provide documents that commit them in respect of their social policies as part of their contract with Groupe ADP.

The documents are analysed by an HR Department expert who takes part in the negotiations and challenges the submitting companies on their answers and practices during the presentations.

During the execution phase, some contracts with high social and image risks are subject to social audits to minimise risks. In place since 2014, these audits are conducted by a specialist, independent, external company. They enable suppliers to be challenged and ensure that they make progress throughout the contract term on factors that are important for Groupe ADP. They give rise to supplier reports, with suppliers then required to propose corrective action plans to rectify the identified problems and improve. Progress on action plans is analysed in conjunction with the specifiers. These audits covered over 60% of revenue in operational service contracts (security, cleaning, safety, landscaping, etc.) and maintenance contracts, and over 88% of external works contracts in 2018.

#### PURCHASING RISK MAPPING WITH REGARD TO ENVIRONMENTAL ASPECTS

In 2018, the Purchasing Department continued its work to comply with the *Potier* law of 27 March 2017. Its aim is to identify suppliers according to their products/service provisions in accordance with to ADP SA issues, as well as identifying measures for the suppliers "at risk" so that monitoring plans can be settle.

This new mapping is based on a robust methodology:

- ◆ identification of environmental risks and the main environmental challenges for Aéroports de Paris SA: climate change, air pollution, water consumption and pollution, biodiversity (soil pollution, degradation, deforestation), waste production, resource depletion;
- ◆ then rating (probability of occurrence of risk X impact) for each purchasing segment (over 170 segments).

Following this rating, an action plan is currently being prepared to cover the identified risks. The actions to be undertaken notably include reinforcing environmental demands on suppliers during contract awarding with the adjustment of the existing CSR rating grids used for selection. These CSR grids, which are specific to each purchasing segment, are used to measure the level of maturity of candidates and allocate a score for this item (of between 5% and 10% of the score).

## THE LIFE CYCLE APPROACH AND AN ENERGY PERFORMANCE CRITERION INCLUDED IN PURCHASES

An internal CSR-environment purchasing procedure was also deployed in 2018 to integrate the life cycle approach into the purchasing process, in accordance with the requirements of the 2015 version of ISO 14001. This approach takes environmental impacts into account at each stage of the life cycle for the different purchasing categories.

Moreover, the Purchasing Department and the Environment, CSR and Regions Department have targeted the purchasing families most at risk through their impact on energy consumption, and raised awareness of specifiers and buyers so as to include a specific energy performance criterion. A guide to identifying relevant criteria for "high energy-consumer" segments has been introduced. For these segments, the energy performance criterion is included in consultations during offer rating, and is separate from the CSR criterion.

## WHISTLE-BLOWING MECHANISM

Groupe ADP has deployed a whistle-blowing platform accessible by suppliers to meet the requirements of the Sapin 2 law. It also includes a hotline for people without access to internet.

## Human rights

As a member of the UN Global Compact since 2003, and with Advanced Level status since 2015, Groupe ADP undertakes to comply notably with the Universal Declaration of Human Rights in all its activities. In its sustainable development goals, it has selected SDG 4: "ensure inclusive and equitable quality education and promote lifelong learning opportunities for all" and SDG 5: "achieve gender equality and empower all women and girls".

In 2015, Groupe ADP also signed the Mobilisation Charter to fight for equality against racism, supported by the Human Rights Defender.

Our TAV subsidiary has been a member of the UN Global Compact since 2015 with the GC Active level.

## Fight against corruption

In 2018, Aéroports de Paris SA deployed an Ethics and Compliance action plan validated by the Executive Committee, the Board of Directors and its Audit and Risk Committee.

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 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.

In 2017, Transparency International designated TAV Airport as the more effective company in terms of anti-corruption, transparency and reporting measures in Turkey.

## Ethics and compliance: the seven pillars of the action plan

The Ethics and compliance action plan includes the fight against corruption. It is based on seven pillars:

- ◆ management exemplarity: In 2018, all the members of the Executive Committee (including ADP International) made a written commitment to deploy the Ethics and Compliance Action plan in their scopes of responsibility. These written commitments were duplicated for the TAV Airport, AIG, ADP Ingénierie and Hub One subsidiaries. In addition, via a letter sent to the top management, the Group's Chairman and Chief Executive Officer launched the Gifts and Invitations procedure;
- ◆ the risk mapping: the Ethics and Compliance risk was considered significant for the Group given its international exposure. The Ethics Department, with the Security and Risk Management Department,

launched work to reinforce training in the third party and corruption risk mapping in 2019;

- ◆ dedicated governance: the Ethics Department was created in 2018. Its Director reports to the Chairman and Chief Executive Officer, thus guaranteeing the Department's independence in processing alerts. The Ethics Department defines and steers the Ethics and compliance action plan with the Legal; and
- ◆ Insurance Department. To extend the plan to the Group's subsidiaries, these departments are supported by the Ethics & Compliance contacts in ADP International, ADP Ingénierie, TAV Airport, AIG and Hub One, as well as the Ethics and Compliance relays appointed in Aéroports de Paris' departments. The programme is monitored in the Group's different bodies: Executive Committee, Works Committee, Board of Directors (and its Audit and Risk Committee);
- ◆ definition and diffusion of policies, rules and methods:
  - ◆ included in the internal rules of procedure, Aéroports de Paris SA's code of ethics was distributed, via the intranet and internet sites, in the form of a communication document entitled "Group Ethics code of conduct and compliance". It includes best practices, areas of vigilance and prohibitions as well as examples of tangible cases. At the start of 2019, it will be distributed in person to Aéroports de Paris SA's employees. The French subsidiaries have their own code of conduct. For the international scope, a code of conduct translated into seven languages was distributed within the subsidiaries,
  - ◆ at Group level, the Embargos, Gifts and invitations and Conflicts of interest procedures were distributed for the first time. This corpus will be reinforced in 2019,
  - ◆ in 2018, the 13 procedures defined for the international scope, dealing notably with third party assessment, payment facilitation, embargo policy, etc. were introduced within the international subsidiaries controlled by the Group;
- ◆ whistle-blowing mechanism: Accessible since 1 October 2018 to Group and supplier employees, the alert platform (<https://report.whistleb.com/fr/adp>) meets the requirements of the *Potier* law (duty of vigilance) and Sapin 2 law (fight against corruption). Integrated into the platform, a charter manages the admissibility criteria for alerts and defines the protection for whistle blowers. It was subject to an audit by Transparency International. The platform's accessibility and the protection of whistle blowers were promoted by a Group communication in France and to the TAV, AIG, ADP Ingénierie and Hub One subsidiaries;
- ◆ training and awareness raising: An intranet and an internet site ([parisaeroport.fr/groupe/groupe-strategie/ethique-et-compliance](http://parisaeroport.fr/groupe/groupe-strategie/ethique-et-compliance)) dedicated to the Ethics and compliance action plan were launched in December 2018. An e-learning programme is currently being produced. This will include several modules dealing as a priority with ethics and compliance issues, the fight against corruption, conflicts of interest, gifts and invitations;
- ◆ monitoring of the Ethics and compliance mechanism: An ethics climate barometer was produced for the first time in 2018 to measure employee perception on ethics, and specifically conflicts of interest and corruption. It is also used to measure the level of awareness and confidence in the alert system.

Furthermore, Aéroports de Paris is a member of Transparency International and also of the "Cercle Éthique des Affaires" which helped Groupe ADP to promote Ethics to its employees.

## Mapping of suppliers at risk in terms of ethics and corruption

As part of the approach steered by the Group Ethics Officer, Aéroports de Paris SA's Purchasing Department has defined a methodology to assess risks of corruption in the area of purchasing both prior to the contract signing and during the contract execution, in accordance with the law.

The level of exposure to corruption is assessed based on the analysis of five risk factors: sector of activity, type of transaction (procedure and contract signing), business opportunity (quality and level of commercial relations), country risk, status and reputation of contacts and stakeholders.

Based on this analysis, a mapping of suppliers at risk in terms of ethics and corruption was prepared. 100% of the suppliers already under contract with Aéroports de Paris SA were analysed in 2018 and no major non-compliance was detected. An action plan is being rolled out to improve the few at-risk situations identified.

In 2019, the aim is to continue the approach by focusing on new suppliers.

## 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 management<sup>1</sup>.

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 2018, Ethifinance performed the rating of Aéroports de

Paris and its subsidiaries, ADP Ingénierie, ADP International 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 2016 and 2018, at 86 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.

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 70/100 in 2018.

Groupe ADP is also included in indexes such as the ISR Euronext Vigeo Eiris Europe 120 and Eurozone 120 (since 2012), FTSE4GOOD (since 2015), MSCI (since 2012), Ethibel (since 2009), Oekom Prime (since 2014).

In 2018, Groupe ADP was rated B in its evaluation (from A to D) of the Carbon Disclosure Project (CDP).

## 17.2 SOCIAL INFORMATION

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### Risk analysis and materiality study

Groupe ADP has developed its risk mapping which, in particular, includes human resources related risks. The general context is set by the priorities of the Connect 2020 strategic plan and the Economic Regulation Agreement (ERA) 2016-2020 to which HR policies make a direct contribution:

- ◆ OPTIMISE: monitoring the development of the organisations and businesses, tools and processes, controlling staff costs, recognising performance, modernising labour-management discussions, making managers more responsible for an overall budget including recruitment, 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.

2018 was notable for proposals to change the shareholder structure, the negotiation on the human resource and skills management planning system (GPEC or "Gestion Prévisionnelle des Emplois et des Compétences") and on changing the current employee representative bodies: Social and Economic Committee (CSE).

In this context, HR risks identified in the Group mapping are related to:

- ◆ appropriate human resources;
- ◆ the labour-management relations climate;
- ◆ the safety of people and goods.

This assessment was compared with the materiality study carried out in 2018. This particularly highlighted employer attractiveness and career management, an improved labour-management dialogue and climate and workplace health and safety. Gender equality in the workplace and diversity are also emphasised together with the quality of life of employees and partner companies.

The Group confirms its intention to improve and continue the actions undertaken in the latter two fields in order to achieve the objectives it has set itself.

### Policies and results

The Company therefore develops its policies and actions to meet these challenges both globally and within the Group's scope.

In 2018, the average group workforce includes TAV Airports employees as well as the employees from AIG (Jordan), controlled since 2018.

<sup>1</sup> See Chapter 3 "Systems and procedures for internal control and risk management" of the Management report.

## Geographic distribution

### Geographic distribution of Group employees (excluding TAV Airports)

Geographic distribution Groupe ADP	2018	2017 pro forma
France	7,076	7,143
European Union excluding France	2	3
Other Europe	0	0
North America	4	2
South America	9	9
Middle East	686	157
Southeast Asia, India, China	19	10
Africa	24	18
<b>TOTAL (EXCLUDING TAV AIRPORTS)</b>	<b>7,820</b>	<b>7,342</b>
<b>TAV AIRPORTS HEADCOUNT</b>	<b>18,097</b>	<b>16,836</b>
<b>TOTAL GROUP HEADCOUNT</b>	<b>25,917</b>	<b>24,178</b>

### The policies and actions can be broken down as follows:

- 1 overall human resources policy;
- 2 appropriate human resources;
- 3 diversity;
- 4 labour management discussions and labour-management relations climate;
- 5 occupational health and safety, quality of working life.

#### 1 Overall policy

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. It is progressively being extended throughout the Group: management of mobility and career paths, skills and coherence of compensation.

It also contributes to transforming Groupe ADP and improving the way it works, with a dynamic of sustainable development and risk management.

In order to achieve its objectives of optimising and controlling staff costs, the mechanism for managing the total cost of employee benefits is supported by a human resource and skills vision. Its objectives were reviewed in 2018 as part of defining a new agreement for 2019-2021. Changes to the workforce imply that a plan be put in place to secure skills in order to plan for people leaving, particularly in the core airport operating occupations.

Lastly, Groupe ADP emphasises reducing workplace accidents.

#### 2 Appropriate human resources

Groupe ADP formulates 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.

The policy is based on the human resource and skills management planning system, including the employer brand, the managerial development and compensation.

#### 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.

A new agreement was negotiated in 2018 and signed on 16 January 2019 in order to prepare for the challenges of changes to employment and skills on a 2025 horizon. It redefines the human resources and skills policy and identifies the mechanisms needed to support occupational changes in accordance with three main themes:

1. **having all of the skills in the airport value chain by refocusing on higher added-value skills and expertise, thus ensuring the management** of all of its activities;
2. **ensuring that skills are renewed by means of internal mechanisms** (career path management based on critical skills, guiding and retraining employees for occupations that fulfil the Company's needs) **and external mechanisms** promoting turnover (external recruitment, support for external mobility projects and retirement);
3. **acquiring and developing new skills:** international, digital, data management and cross-functional skills (cross-functional management, project management, process optimisation, etc.).

The development and implementation of the mechanisms provided by these collective agreements is a key factor in the Company's financial performance that is directly related to securing appropriate skills and to employee commitment.

The approach also incorporates the aspects of diversity set out in section 3 below.

#### Career progression

It included the management of career paths, the graduate program, the training and the management development.

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.

In addition to existing tools that encourage mobility, such as immersion, job space, dedicated "mornings" (28 in 2018, for over 500 people), the Human Resources Division continued to implement its three talent management initiatives in 2018:

- ◇ updating of the career review process and its deployment;
- ◇ construction of career path management principles, based on the organisation's short and medium term needs and identification of key posts;
- ◇ review process for the management of international talents.

In 2018, in the context of its proposals to develop hospitality management jobs, Groupe ADP put in place a new internal reclassification unit in order to support the retraining of employees. In addition, mechanisms to support mobility were implemented in order to help employees with a proposed move outside of the company (secure external mobility).

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 2018, an increase in the mobility rate was included in the objectives for all HR function employees.

In particular, support for newly hired or promoted executives is given during the "executive induction days". A similar arrangement is in place for non-executives and trainees. They are integrated into the global induction system, "On Boarding", which includes different modules for information, exchanges and awareness.

For TAV Airports, matching resources to changes in the company's business activity, in particular the closure of Atatürk Airport in Istanbul, is reflected in the preparation of a support plan for people who are leaving as a result, as well as to retain the skills necessary for the activity of other airports that it operates.

#### "GRADUATE PROGRAMME"

The "Graduate programme" 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 programme are then allocated to a division.

In 2017 and 2018, 30 graduates were recruited under this programme.

#### TRAINING

Professional training is one of the tools that can be used to the benefit of Groupe ADP's strategy.

In 2018, Aéroports de Paris SA redefined its guidelines for the three-year period 2019-2021 in order to support the implementation of the human resource and skills management planning system:

1. support the development of employee skills in line with the changes in business activities and the emergence of new skills;
2. assist the development of cross-functional skills in accordance with the challenges posed by the Company's transformation and by talent development;
3. allow employees to play a role in their professional development in order to maintain and develop their employability;
4. preserve key skills, particularly for the core business activities, in order to pre-empt a potentially critical reduction in these skills.

Given the nature of the jobs within the Company, regulatory training is important.

Employees also 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.

In 2018, as in 2017, Aéroports de Paris SA devoted over €4 million to purchasing professional training and skills development.

In addition, in 2018 the work/study training policy resulted in the integration of 130 work/study trainees. Of these, 122 were apprenticeship contracts and 8 professional training contracts.

Groupe ADP's subsidiaries develop the training programmes corresponding to their activity.

TAV Airports has a specialist training subsidiary for all of its airports and companies.

#### MANAGERIAL DEVELOPMENT

The management development policy helps to 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 managerial model is based upon the Group's four values (trust, commitment, boldness and openness) and the four leadership priorities arising from these (developing improved self-knowledge and awareness, mobilising around an inspiring vision, developing independence and sense of responsibility and genuinely committing to cooperation).

Between 2015 and 2017, specific schemes were addressed to all managers: Attitude Manager (1,700 high-level supervisors, executives and senior executives) and Lead & Change (130 top managers).

In 2018, managers benefited individually from distance coaching, in addition to the traditional offering of assessment, development and attendance-based coaching. Each team affected by an organisational change was also supported in order to adapt beforehand to the momentum associated with the changes.

In cross-functional terms, the co-development programme has continued bringing together managers from different divisions. A mentoring project is under way. The Company has also launched a project to bring facilitation skills in-house so that managers can develop ways of coordinating their teams based on collective intelligence.

Training is offered to managers, including awareness of the Company's corporate policy. These "Trajectoires" programmes, modules based on management fundamentals and techniques, involved 90 Aéroports de Paris SA employees this year (more than 500 in 2017 and 200 in 2016).

#### Attractiveness

This is based on the policies described above and, more specifically, on actions to promote the employer brand, on the compensation policy and working time.

#### EMPLOYER BRAND

To meet the needs identified by the human resource and skills management planning system (GPEC), Groupe ADP is developing its reputation and attractiveness.

The objective is to attract profiles who can meet the business challenges of today and of tomorrow. The initiatives introduced are for permanent employees and the young people on work/study contracts and interns. They are in particular targeted at students from the business schools, universities and colleges offering courses in airport maintenance and operating professions.

There are specific initiatives covering the employment of local residents and young people from priority districts. In July 2018, Aéroports de Paris became involved, along with the French government, in the initiative to support priority urban development districts, and young people in particular. The initiatives focus mainly on offering work experience placements to year 10 high school students to introduce them to the Group's occupations: placements were offered to 300 young people of whom two-thirds from priority urban development districts. In addition, in relation to its recruitment of young people on work/study contracts, the company has made a commitment that 20% of them will come from these districts.

Aéroports de Paris is accordingly developing close relationships with educational establishments: partnerships (in particular with Sciences Po,

ESSEC, ESTP, ENAC, etc.), forums, introductions to airport occupations, and reinforcing its presence on communication channels, particularly social networks.

In order to facilitate certain external recruitments, Groupe ADP is trialling a recommendation system in partnership with KEYCOOPT, which specialises in recommending candidates through the Internet. Selection will be carried out in accordance with the Company's recruitment rules and commitments, particularly regarding diversity and equal opportunities and in accordance with non-discrimination principles.

The Company partners with RUE (Rencontres Université Entreprise) and AJU (Atout Jeunes et Universités) and took part in 20 attendance-based and virtual forums in 2018.

In 2017, the brand was conveyed using a new image, starring ten employees, representing the diversity of jobs in an international environment.

In 2018, 14 web videos were broadcast to provide information about types of work and job offers with a campaign on the networks and on the HR web pages. Our presence on social networks grew again with an increase of over 60% in LinkedIn subscribers over the year (up by 30% in 2017). Aéroports de Paris is also present on Jobteaser, which combines information on companies with offers for students and young graduates.

The Company is also committed to diversity through numerous initiatives, including involvement in "Elles bougent", a network for women promoting technical occupations in secondary schools, and "Mission Handicap", which facilitates the employment of disabled people. In 2018, it took part in Handi-Forum.

In 2018, Groupe ADP continued to be present in the different rankings for the most attractive companies: for example, Happy trainees (from 13<sup>th</sup> place in 2017 to 5<sup>th</sup> place in 2018) and Randstad (26/250, 31/250 in 2017).

## COMPENSATION

### Wages and salaries

In 2018, for Aéroports de Paris SA, the variable portion of executive compensation was adjusted according to the type of function and role in order to ensure fairer recognition of contributions to performance, to improve competitiveness and to align the Company's practices with those of the market.

For 2017, the salary agreement of 16 January 2017 included a general increase of 0.5% on 1 July 2017.

The Mandatory Annual Negotiations (NAO) on pay did not lead to the conclusion of a new agreement for 2018.

However, unilateral salary measures were agreed upon: a general 0.3% increase on 1 July 2018, fully offsetting the effect of the increase in the CSG social security contribution, and an increase in the target amounts for the variable compensation of executives at the lower end of the pay scale. Each subsidiary has its own compensation system.

Employees benefit from a complementary health insurance and pensions contract. From 2018, the same level of services is offered with the same insurer across all French subsidiaries.

### Incentives and profit sharing

A new incentive agreement for Aéroports de Paris SA was signed on 29 June 2018 for the years 2018 to 2020. 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.

ADP Ingénierie and Hub One also have incentive agreements.

In 2018, the incentives recorded for all Groupe ADP companies totalled €14 million compared with €13 million in 2017.

Aéroports de Paris and its wholly-owned subsidiaries have implemented a profit-sharing mechanism for their employees. €28 million was paid out in profit sharing for the entire Group in 2018, compared with €22 million in 2017.

### Group employee savings scheme and employee share ownership policy

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 SA, 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 2018, the allowance made by the Company was €9 million (the same allowance as 2017).

Hub One and ADP Ingénierie also have agreements that provide for the payment of allowances.

To support the saving scheme dynamism, the creation of the FCPE with ADP bonds, mainly invested in unlisted bonds released by Aéroports de Paris, was created in 2017 implemented in 2018, within the framework of the profit sharing payment for the 2017 results.

## WORKING TIME

The teleworking agreement signed in 2016 for a period of two years and renewable for one year has been extended for a third year. If necessary, this year will be used to improve the scheme on the basis of feedback provided. At 31 December 2018, two years after the launch of the scheme, a total of 2,357 applications had been registered from 4,225 eligible employees (executives and ETAM (employees, technicians, supervisors)), of which 1,943 were approved for a period of one year. In December 2018, 845 employees worked from home at least one day in the month. Hub One has a teleworking agreement (2017).

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 allows 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.

A second amendment to the agreement on the organisation and reduction of working hours was signed on 7 December 2018 in the context of organisational changes at the airports. It introduces uninterrupted or rolling work schedules for operating executives managing teams in the Airport Operations Centre (APOC). These individuals will enjoy the same rest entitlements as the ETAM employees that they supervise.

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). An agreement dated 3 January 2018 allows the duration of the working day to be increased for certain employees affected by winter seasonal working arrangements or the International Paris Air Show.

Each subsidiary is responsible for organising its own working time.



### 3 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 within the different areas related to equal opportunities: the inclusion of disabled workers (first collective agreement in 1991), professional equality (2003) and more recently, the retention of seniors in employment (2009). 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 human resource and skills management planning, training and generation contracts. They are subject to specific commitments which are described below.

In 2018, a new rating exercise was conducted by Ethifinance (which is conducted every two years): the Group achieved 86/100, up by four points compared to 2016, with 84/100 for Human Capital (+5 points). Aéroports de Paris SA improved by four points globally (87/100) and six points for Human Capital (85/100).

#### Gender equality in the workplace

The fifth Aéroports de Paris SA three-year agreement covering 2018-2020 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, 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 2018, the Company's proportion of women was 37.6% (37.9% in 2017 and 2016). A significant proportion of recruitment is still in the male-dominated technical and regulatory roles. The balance of women and men in the corporate hierarchy is unchanged. The proportion of women executives is 36.8% (36.7% in 2017, 36.1% in 2016). It stands at 36% in top management positions at the level of the Executive Committees.

In 2018, the proportion of women recruits to the graduate programme was 50% and 42.7% to executive positions, in line with the targets in the agreement.

A partnership was set up in 2015 with the "Elles bougent" association in order to encourage women to work in engineering and technical roles, using a network of female sponsors who are also company employees.

With regards to pay gaps, 16 applications for review were made in 2018 (for a workforce of 2,409 women) and three resulted in adjustments being made. The overall salary gap between men and women (in average gross wages) is now lower (10.0% in 2017, after stabilising at 9.3% in 2015 and 2016). In 2019, a specific new study will be carried out into the compensation structure and reasons for variances.

In 2018, more females were promoted than men, just like in 2017.

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Breakdown of staff by gender <sup>1</sup>	2018		2017	
	Men	Women	Men	Women
Aéroports de Paris	62.4%	37.6%	62.1%	37.9%
ADP Ingénierie	71.8%	28.2%	74.0%	26.0%
ADP International	76.1%	23.9%	80.0%	20.0%
Hub One	72.9%	27.1%	72.5%	27.5%

<sup>1</sup> Retention of seniors employment.

#### Retention of seniors employment

Provisions relating to the employment of seniors are incorporated into the global collective agreement of 29 January 2016 on human resource planning, 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 2018, the recruitment rate was 7.1% of permanent hires (5.1% in 2017, 4.4% in 2016) and employees aged over 55 years old accounted for 23% of average staff numbers (22% in 2017, 21% in 2016). At 31 December 2018,

35 employees benefited from end-of-career part-time hours (in total, 65 employees have benefited from this over the period of the agreement).

Under the GPEC (human resource and skills management planning) 2019-2021 agreement negotiated in 2018 and signed on 16 January 2019, the end-of-career support mechanisms have been renewed and improved, in particular by introducing part time skills-based volunteering programme.

#### 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 2018, this rate was 39.0% (48.9%

in 2017, 45.9% in 2016). 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.

#### Aéroports de Paris SA workforce breakdown

	2018	2017
Under 25 years old	1%	1%
25 to 49 years old	53%	55%
From 50 to 60 years old	43%	40%
Over 60 years old	3%	4%

In the 2019-2021 GPEC agreement, Groupe ADP strengthened its commitment to the recruitment of young people by increasing the young people recruitment rate target to 40%. The Company is also renewing its commitment to the recruitment rate of work/study trainees.

#### Employment and integration of disabled people

The current three-year agreement, signed on 25 January 2016 and which covers the period 2016-2018, includes recruitment targets: 15 permanent (one recruit in 2018 and a total of 11 over the term of the agreement) six work/study training contracts (one completed, making two in total), 15 assisted or fixed-term contracts (no contracts in 2018, four over the period), six internships (two completed, 12 in total). The increasing difficulty in finding the qualified people needed for post to be filled explains why these challenging targets have not been completely achieved. In order to change this situation, Aéroports de Paris will introduce a support mechanism for less qualified individuals in order to improve their employability. The Company will also conduct a survey on the quality of working life for disabled persons.

The target for service purchases is €0.8 million per annum: €0.747 million achieved in 2018, €2.517 million over the period, *i.e.* an average of €0.839 million. It also allows for better support of the integration of disabled workers, through a commitment to adapt their working environment according to their needs and to promote the actions of the employees who support them.

As part of its policy to foster relationships with schools and welcome students with disabilities, Aéroports de Paris has been a partner of the Institut National des Jeunes Sourds since July 2013.

The level of employment achieved in 2018 was 7.53% (7.52% in 2017, 7.24% in 2016 and 2016% in 2016).

Disabled persons accounted for 0.65% of external hires in 2018 (2.8% in 2017).

#### Diversity in the subsidiaries

Collective "generation contract" agreements were signed for Hub One (2015) and ADP Ingénierie (2017). There is an agreement on gender equality for Hub One (2014); for 2018, the NAO (Mandatory Annual Negotiations) agreement for ADP Ingénierie includes a specific provision on equal pay.

In addition, each subsidiary of Aéroports de Paris signed the Diversity Charter on 17 April 2014.

#### Sheltered and protected employment sector

In 2017, Groupe ADP ordered services worth €747,000 from 16 suppliers in the sheltered and protected sector, in line with the annual target set out in the agreement on the employment of disabled persons (an average

The recruitment of permanent staff from work/study programmes was 6.5% in 2018 (6.3% in 2017, 11% in 2016, with a target of 15% over the period of the agreement). The rate of employment of interns is 3.1% of the workforce (target: 3%).

of €0.8 million each year, with a total of €2.517 million over three years). 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 89% 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 the momentum of recent years in terms of the work being done to develop and perpetuate purchases with the sheltered and protected employment sector. These results also come from the partnership with the GESAT<sup>1</sup> a major organisation in the sector, facilitating the relationship between Aéroports de Paris, its counterparts from ordering parties and the service providers.

#### 4 Labour-management dialogue and labour-management relations climate

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 Group Works Council for Groupe ADP committee, and, for Aéroports de Paris SA, a Works Council, a central body with over 50 employee delegates.

The resources allocated to the representative unions for the exercise of their different mandates are formalised in an agreement on trade union rights and social dialogue signed on 21 July 2015 by the CGT, CFE/CGC and UNSA SAPAP unions.

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. To further improve the way in which the bodies operate, an amendment to the agreement on the scope of the CHSCT (health and safety committee) and inter-company CHSCT was signed on 14 June 2018.

<sup>1</sup> Association, company network in the sheltered and protected employment sector (establishments and services promoting assistance through work and sheltered companies).

Two agreements were also signed on 10 January 2017 in application of the "Rebsamen" law of 17 August 2015 organising the way in which the bodies operate. 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.

These provisions will apply until 1 January 2020, when the Company must comply with the new provisions stipulated in Order 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 different existing bodies must then merge into the Economic and Social Committee, a single new employee representation body.

Aéroports de Paris has chosen to implement the new bodies through collective negotiations, in order to best adapt their structure and role to the Company's specificities. An agreement on the method to coordinate and pace the negotiations was signed on 31 July 2018 by the UNSA-SAPAP CGT and CFE-CGC unions (which together represent 88.05% of the votes expressed in favour of the representative organisations during the first round of the last elections for the Works Council). Negotiations are on-going with the trade unions on the implementation of the Economic and Social Committee, the resources to be allocated to it and the implementation of regular monitoring of the career and training of employee representatives.

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	2018	2017	2016
Compensation (employee agreements, incentives, profit sharing, medical expenses)	1	1	1
Employee representation	2	3	1
Diversity	-	3	1
Professional elections	-	4	1
GPEC, training, generation contract	-	-	2
Working time	3	-	4
Workplace health and risk prevention	-	4	-
Organisations	-	2	-
Savings plan (Company and Group)	2	-	-
<b>TOTAL</b>	<b>8</b>	<b>17</b>	<b>9</b>

Agreements were also signed in 2018 in the other Group companies benefiting from staff representation:

- ◆ ADP International (profit-sharing);
- ◆ ADP Ingénierie (NAO Mandatory Annual Negotiations, incentives, PEG and PERCO);
- ◆ Hub One (Mobility: quality of working life and prevention of psychosocial risks).

## 5 Occupational health and safety, quality of working life

### Prevention of occupational risks

In 2017, the number of workplace accidents with lost time had recorded a significant drop (-19% compared to 2016) along with the frequency rate and severity rate. This number increased during the last quarter of 2018, which made the total increased for the full year rose by +5.3%. This level remains lower than the 2016 one. The majority of accident occurred within the place of work. However, an improvement was recorded for the accidents regarding travels from home to the work place.

The type and causes of workplace accidents are subject to regular updates in the Executive Committee.

The directions in the mobilization plan were reaffirmed: act to:

- ◆ prevent accidents on foot or in vehicles (work and journey);
- ◆ prevent aggressions and uncivil behaviour; this is a particular problem for all companies operating on airport platforms;
- ◆ promote well-being at work and fight against psychosocial risks.

Along with a 4<sup>th</sup> focus in 2018:

- ◆ prevent risks to subcontractors, by granting more weight to health and safety criteria in awarding contracts and by monitoring their accidents and preventive actions.

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.

A communication campaign to inform, raise awareness and lay the foundations for this comprehensive culture, shared within the Group, will take place in February 2019.

Since 2017, a security action plan has been 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.

Shared initiatives are regularly carried out with the subsidiaries: awareness-raising forum on road risks, experience sharing on preventing psychosocial risks.

The Security and Risk Management Division also supervises the protection system for the Group's expatriates on long- and short-term assignment. It is supported by training on safety awareness abroad.

## 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 mobilization 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 analyzing accidents to prevent situations of discontent;
- ◆ building prevention of psychosocial risks into project management, particularly prior to reorganizations', 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 has been deployed throughout the Company, 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 specific methodology for evaluating psychosocial risks was finalised and documented in the Single Document. The units have been trained and are being supported in assessing these risks.

The "Single Document" – a regulatory professional risk assessment tool – includes psychosocial risks for certain locally-defined work units, and for all employees, through an inter-company assessment carried out by occupational health doctors, social service representatives and health and safety managers.

For the subsidiaries, Hub One has an agreement on the quality of working life and prevention of psychosocial risks.

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 three agreements and their amendments (9 January 2017 and 14 June 2018) in force in 2018 for Aéroports de Paris SA improve the organization and functioning of the CHSCTs and employee representative participation in the prevention of occupational risks. They concern:

- ◆ the review of the scope of the CHSCTs consistent with the diversity of the activities and the places where these activities are exercised (seven committees);
- ◆ the creation of a CHSCT coordination body, as a spin-off from local CHSCTs when a project concerns at least two;
- ◆ the resources allocated to the CHSCT and the creation of an inter-company committee to handle the Company's prevention policy.

## 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 Organization (ILO). More generally, extra-financial ratings, actions and communication on the Company's processes rely on the ISO 26000 guidelines, which are the performance benchmark for CSR used by the Company.

The commitment to the principles of the ILO and the Global Compact is realized by actions undertaken in these areas, as described in the table below:

Principles of the Global Compact and the ILO	Actions undertaken
<b>Human rights</b>	
1. Support and respect the protection of international law on human rights within the Group's sphere of influence	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 labour law) are carried out on certain segments of purchases. The Purchasing Department is part of the process of implementing the Law. Diligence Act on the Suppliers and Subcontractors Component.
<b>Labour standard/ILO principles</b>	
3. Uphold freedom of association and the effective recognition of the right to collective bargaining	Individual right to union training and signature of an agreement on trade union right
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 ADP's 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.

## Principles of the Global Compact and the 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 labour.

6. Eliminate discrimination in the workplace and professions

Aéroports de Paris commitment to fight against discrimination through the signing of four agreements: employment of disabled workers (2016-2018), professional equality between women and men (2017-2019) and the diversity agreement (2017-2019), GPEC (2016-2018)

## Respect for the environment

7. Support a preventative approach to environmental challenges

Environnemental policy of Aéroports de Paris

8. Undertake initiatives to promote greater environmental responsibility

Realization 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.

## 17.3 SOCIAL INDICATORS FOR THE GROUP

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A methodological note on social and environmental reporting is provided at the end of the chapter.

	Scope	2018	2017	Change
<b>Average staff numbers</b>				
Aéroports de Paris	2	6,349	6,435	-1.3%
Subsidiaries		19,568	17,743	+10.3%
TAV Airports		18,097	16,836	+7.5%
ADP Ingénierie Group		373	392	-4.8%
ADP International Group		613	59	N/A
of which AIG		536	-	-
Hub One Group		485	456	+6.4%
<b>GROUP TOTAL</b>	<b>0</b>	<b>25,917</b>	<b>24,178</b>	<b>7.2%</b>
Feminisation rate	2	37.6%	37.9%	-0.8%
<b>Appointments/Departures</b>				
Appointments	1	364	336	+8.3%
On a permanent basis	1	300	285	+5.3%
On a fixed term basis	1	64	51	+25.5%

	Scope	2018	2017	Change
Departures	1	497	349	+42.4%
of which were dismissals due to disability	1	32	19	+68.4%
of which were dismissals on economic grounds	1	-	-	-
of which were dismissals due to personal reasons	1	16	18	-11.1%
Rate of promotion (in %)	2	4.5	3.7	+21.6%
<b>Compensation</b>				
Average gross monthly compensation (in €)	2	4,739	4,679	1.3%
Gross wage bill (in €m)	1	541	379	42.7%
Social security charges (in €m)	1	258	216	19.4%
Incentives and profit sharing (in €m)	1	42	35	20.00%
<b>Working time</b>				
Full-time employees	2	5,863	5882	-0.3%
Part-time employees	2	486	553	-12.1%
Absence rate	2	6.90%	6.90%	-0.0pt
of which illness	2	5.20%	5.30%	-0.1pt
of which maternity - paternity	2	0.30%	0.40%	-0.1pt
of which authorised leave	2	0.70%	0.40%	+0.3pt
of which work and journey accidents	2	0.70%	0.70%	-0.0pt
Absence rate ADP International		1.0%	-	-
Overtime	2	10,322	11,213	-7.9%
<b>Health and safety conditions</b>				
Frequency rate Aéroports de Paris SA	2	(✓) 14.62	13.64	7.20%
Frequency rate ADP International	0	0.00	-	-
Severity rate	2	0.99	0.95	4.20%
Number of workplace accidents with lost time*	1	145	135	7.40%
Professional illness declared in the year	2	6	5	-100.00%
<b>Formation</b>				
Sums paid out for professional training (in €m)	2	17	17	-2.90%
Total training hours	1	143,596	(✓) 144,076	-16.60%
Average number of hours for training per employee Aéroports de Paris	2	20	19	-100.00%
Average number of hours for training per employee ADP Ingénierie		14	-	%
Average number of hours for training per employee ADP International		14		
Average number of hours for training per employee Hub One		25		
Proportion of employee trained Aéroports de Paris	2	78%		
Proportion of employee trained ADP Ingénierie		51%		
Proportion of employee trained ADP International		61%		
Proportion of employee trained Hub One		91%		
<b>Employment and integration of disabled workers</b>				
Number of disabled workers	2	451	441	2.30%
Number of disabled workers (full time)	2	1	5	-80.00%

Scope 0: Groupe ADP

Scope 1: Groupe ADP excluding TAV and AIG

Scope 2: Aéroports de Paris SA

(✓) DATA 2018 verified by Deloitte with reasonable assurance.

\* Except local contracts for ADP Ingénierie.

## 17.4 ENVIRONMENTAL INFORMATION

### Environmental and energy policy 2016-2020

Signed by the Chairman and CEO, Groupe ADP's environmental and energy policy 2016-2020 reinforces its collaboration with all of its stakeholders around three commitments:

- ◇ optimizing, 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.

Risks related to the environment are described in the risk factors chapter.

#### Certified systems

This 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). These certificates were renewed in 2018.

Similarly, TAV Airports deploys a management system certified to ISO 9001 and ISO 14001 to manage its airports.

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).

Moreover, Aéroports de Paris SA is certified ISO 50001 for its energy management system (EMS) based on fossil fuels and renewables

(biomass, geothermal, photovoltaic) and its operation and development of airports in Île-de-France. This certification was renewed in 2018.

Istanbul and Ankara airports have an energy management system in accordance with ISO 50001.

Aéroports de Paris SA 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 it 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 STIIC, 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.

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#### Informed employees

Throughout the year, employees are made aware of issues relating to the preservation and protection of the environment as well as energy management. Information is shared via internal environmental communication tools, particularly, the electronic document management system, the EcoCharter, the internal newspaper "Connexion", infodifs (corporate emails) and articles on Groupe ADP's intranet site.

Training is also provided in the areas of energy and the environment.

#### Financial resources allocated to the prevention of environmental risks and pollution

##### Environmental expenditure

Aéroports de Paris allocates a dedicated budget of €44 million, planned by the Economic Regulation Agreement, over the term of the strategic plan 2016-2020.

In 2018, 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 2018, the payments and provisions recorded on this policy since 2014 amounted to €15,000.

<sup>1</sup> See Policy and Commitments on our website - CSR section, pages 59-60 of the CSR information.

## Fight against climate change

### Policy

The fight against climate change is one of the pillars in Groupe ADP's environmental and energy policy. It ranks amongst the eight most important issues in its 2017 materiality study (score of 8/10), confirming the Group's ambitious targets in the fight against climate change.

Fully committed to reducing its CO<sub>2</sub> emissions, improving its energy efficiency and developing renewable energies, it has adopted the UN's Sustainable development goals, particularly SDG nos. 7 (Ensure access to affordable, reliable, sustainable and modern energy for all), 9 (Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation) and 13 (Take urgent action to combat climate change and its impacts).

### Objectives

#### Reduction in CO<sub>2</sub> emissions

In phase with the directions proposed by France in 2015, Groupe ADP set ambitious targets in 2016 to reduce CO<sub>2</sub> emissions per passenger by 65% by 2020 compared to 2009, while increasing traffic.

It also intends to maintain Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports at level 3 Airport Carbon Accreditation (ACA), and achieve carbon neutrality by 2030. Its carbon neutrality roadmap 2030 was validated by the Executive Committee in 2018.

Aéroports de Paris has undertaken projects to harmonize environmental indicators for its main subsidiaries in order to constitute a real base for the elaboration of the Group commitment.

#### Improving energy efficiency

Another of Groupe ADP's commitments is to improve its energy efficiency by 1.5% each year<sup>1</sup> over the 2016-2020 period (for a total of 7% over five years). Its initiatives focus on two components: energy optimisation for operations and maintenance and improvements to buildings and equipment.

#### Increased use of renewable energies

Groupe ADP has set itself the target of covering 15% of its final energy<sup>2</sup> consumption with renewable sources.

### Achievements

#### Reduction in CO<sub>2</sub> emissions

Level 3 of the Airport Carbon Accreditation (ACA) for Paris-Charles de Gaulle, Paris-Orly and Paris-Le-Bourget airports was renewed in 2018. This accreditation, all aspects of which are verified by a third party every two years, checks the calculation and actions to reduce:

- ◇ the direct emissions of Aéroports de Paris (scopes 1 and 2);
- ◇ our partners' emissions on airport platforms (scope 3): emissions linked to aircraft, auxiliary power units (APU), ground handling vehicles (GSE) and also professional and home-work travel by airport employees,

access for passengers to and from airports, other emission sources (internal waste management, third party electricity).

ACA level 3+ was achieved by Izmir Adnan Menderes and Ankara Esenboga airports and level 3 by Istanbul Ataturk airport.

Reduced by 9% compared to the average for 2014-2016, internal CO<sub>2</sub> emissions (scopes 1 and 2) for the three Paris platforms were 65,445 tonnes in 2017<sup>3</sup>. The reduction is mainly due to the actions conducted to deploy renewable energies and energy efficiency, presented below in the items "Improvement to energy efficiency" and "Use of renewable energies".

External CO<sub>2</sub> emissions (scope 3) for the three Parisian airports were estimated at around 1,920,000 tonnes in 2017<sup>4</sup>, stable compared to the average for 2014-2016 (slight increase of 1% mainly due to the increase in emissions for passenger access). 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;
- ◇ 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 2018 will be calculated during the first half-year of 2019.

In 2018, air traffic was up by 3.8% in number of passengers compared to 2017 and stable in number of movements (+0.8%). A virtual stability of aircraft emissions is expected in 2018 compared to aircraft emissions in 2017.

Paris-Charles de Gaulle and Paris-Orly airports, in agreement with the DGAC, have implemented local departure management, which helps to reduce aircraft taxiing times between leaving the gate and take-off, generating significant savings in terms of fuel and CO<sub>2</sub> emissions, and thus reducing aircraft emissions.

To reduce APU emissions, in 2018, at Paris-Charles de Gaulle and Paris-Orly, 100% of the aircraft contact parking stands are equipped with 400 Hz floor-mounted sockets to supply electricity to aircraft, replacing the diesel generators and auxiliary thermal motors.

Moreover, the continuous descent adopted for certain approaches reduces engine load and thus their kerosene consumption and CO<sub>2</sub> emissions.

For the actions undertaken to reduce emissions due to employee and passenger access to airports, please refer to the paragraph on air quality, which presents the actions to reduce local pollution and CO<sub>2</sub> emissions.

The emissions for the TAV Airport subsidiary (emissions of the three main platforms: Ankara (level ACA 3+), Izmir (ACA 3+) and Istanbul (ACA 3), fully consolidated in the Groupe ADP environmental indicators), amounted

<sup>1</sup> Energy consumption for the Paris-Charles de Gaulle, Paris-Orly, Paris-Le Bourget platforms, excluding external/m<sup>2</sup> of building, in MWh primary energy/sq.m floor area excluding external, recharging terminals for vehicles, 400 Hz plugs, PCA, PCI25A, chargers for ground support vehicles as far as possible depending on existing counting system.

<sup>2</sup> Renewable energy production at the three Paris airports; final internal energy consumption.

<sup>3</sup> 2018 data unavailable at the date of publication of this document. 2018 data will be published in summer 2019 on the website [www.groupe.adp.fr/](http://www.groupe.adp.fr/), under Group/CSR/Documents (see Greenhouse Gas Emissions ACA Report).

<sup>4</sup> 2018 data not available at the date of publication of this document. It will be published in the 2018 CSR information.



to 79,000 tonnes of CO<sub>2</sub> in 2017 for scopes 1 & 2 and 1,201,500 tonnes of CO<sub>2</sub> for scope 3.

Emissions (scopes 1 and 2) from Groupe ADP's other subsidiaries and investments were estimated for 2017 at<sup>1</sup>:

- ◇ around 500 tonnes of CO<sub>2</sub> for the majority owned subsidiaries (accounted for in Groupe ADP's scopes 1 et 2);
- ◇ 19,150 tonnes of CO<sub>2</sub> for subsidiaries and investments over which the Group does not have operational control (accounted for in Groupe ADP's scope 3) and which are consolidated in proportion to Groupe ADP's financial investment at 31/12/2017.

Overall, Groupe ADP's scope 1 and 2 emissions for 2017 amounted to around 145,000 tonnes of CO<sub>2</sub> (of which 45% come from the Paris platforms and 55% from TAV's platforms) and scope 3 emissions to 3,140,000 tonnes of CO<sub>2</sub> (of which 61% come from the Paris platforms, 38% from TAV's main platforms and 1% from the other subsidiaries).

The 2017 CO<sub>2</sub> emission and greenhouse gas balance<sup>2</sup> and the emission reduction action plan are available on the website [www.groupeadp.fr/](http://www.groupeadp.fr/), Group section, CSR tabs, Documents page, as well as on Ademe's GHG platform (<http://www.bilans-ges.ademe.fr>).

## Improving energy efficiency

Over the third quarter of 2018, Aéroports de Paris SA improved its energy efficiency by 4.4% compared to 2015 (the reference year). This improvement was 1.8% over Q3 2017.

It is mainly due to progress recorded at the Paris-Charles de Gaulle platform: use of new Led lighting, replacement of air-conditioning unit motors, improvement to the management of "high energy-consumer" installations.

The energy saving programmes in the buildings have continued, in particular:

- ◇ use of 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 CO<sub>2</sub> emissions);
- ◇ remote meter readings by electric meters, to allow better monitoring of consumption and detect excesses;
- ◇ monitoring of consumption via the deployment of "local energy performance indicators";
- ◇ replacement of traditional lighting systems by more energy-efficient LEDs.

As an operator of energy production units of more than 20 MW, Aéroports de Paris SA is subject to Directive No. 2003/87/EC of 13 October 2003 with regard to greenhouse gas emission (GHG) quotas. Under the National allocation plan for greenhouse gas emission allowances, annual allowances are allocated to Aéroports de Paris and its CO<sub>2</sub> emissions are carefully monitored. Thanks to the improvement in its energy efficiency and investments 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 SA reports on its greenhouse gas emissions each year. Data for CO<sub>2</sub> emissions from power plants in 2018 are presented in the table of environmental indicators and verified by a third party per the French national quota allocation plan (PNAQ).

## Use of renewable energies

From 1 October 2017 to 1 October 2018<sup>3</sup>, renewable energy production units at the airports (geothermal plants at Paris-Orly and Paris-Le Bourget, high yield heat-cooling pump system and biomass plant at Paris-Charles de Gaulle, photovoltaic solar panels at Paris-Le Bourget) covered 15.3% of the internal energy consumption of Aéroports de Paris SA (15.7% at end-2017).

In 2017, renewable energies enabled around 26,000 tonnes of CO<sub>2</sub> emissions to be avoided. This slight decrease is due to the early maintenance stoppage of the biomass boilers at Paris-Charles de Gaulle and the warmer weather conditions that penalised the thermal renewable energy production units.

To reduce its carbon footprint, Groupe ADP has subscribed to the renewable electricity offer, which commits its supplier to ensuring that 60% of its electricity in 2018 is of renewable origin (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 from 80% to 100% of electricity of renewable origin for the Paris-Charles de Gaulle and Paris-Orly platforms in 2020.

Groupe ADP is studying the potential of deep geothermal energy at Paris-Charles de Gaulle airport.

## Air quality

### Policy

Groupe ADP has implemented an ambitious policy to reduce emissions of atmospheric pollutants linked to its activities and facilities, and its energy production units in particular. Its 2017 materiality study showed that air quality is a very important issue (8.1/10).

Its initiatives to fight against climate change and reduce its CO<sub>2</sub> emissions and to promote clean mobility in its airports contribute to improving air quality.

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 power plants and road transport resulting from airport activities. It conducts air quality studies inside the terminals, car parks and technical buildings. It continuously measures levels of nitrogen dioxide (NO<sub>2</sub>) and nitric oxide (NO), particles (PM 2.5) and ozone (O<sub>3</sub>) levels.

<sup>1</sup> 2018 data not available at the date of publication of this document.

<sup>2</sup> 2018 data not available at the date of publication of this document. It will be published in the 2018 CSR information.

<sup>3</sup> The value for Q4 2017 (and so, for the civil year) will be published in the 2017 CSR information.

## Objectives

Groupe ADP has set itself four objectives by 2020:

- ◆ account for 25% of clean vehicles<sup>1</sup> in its light vehicle<sup>2</sup> fleet, reduce the emissions of the other vehicles, develop electric vehicle recharging terminals in its airports;
- ◆ 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)<sup>3</sup>;
- ◆ reduce the emissions associated with airport access and internal circulation.

To the objectives driven by its environmental and energy policy, can be added the commitment made during the National Conference on Air Transport (Assises nationales du transport aérien) to strengthen its partnership with AirParif, specifically to exchange monitoring data, and its collaboration in the next measurement campaigns.

Groupe ADP also helped to prepare the 2018-2025 atmosphere protection plan (AAP) for the Paris urban area. The AAP sets out measures to improve air quality in the region. It includes three main challenges for the aeronautical sector:

- ◆ reduce the emissions from auxiliary power units (APU, which provide energy on-board the planes and for their air-conditioning on the ground) and ground handling vehicles and machinery by limiting the use of APUs and promoting the use of the least-polluting ground handling vehicles;
- ◆ reduce the emissions from taxiing aircraft by implementing local departure management at Paris-Orly to reduce taxiing time for departures by 3% in 2020 compared to 2015, and by promoting taxiing with N-1 (or N-2) engines;
- ◆ improve knowledge of aircraft emissions by communicating the emissions during the landing and take-off cycle (LTO) by aircraft/engine couple type at Paris-Orly and Paris-Charles de Gaulle airports and the share of each couple in traffic and emissions. The data will be available on an annual basis with a breakdown by month. Initially, the nitrogen oxide (NOx) pollutant has been selected.

## Achievements

All achievements mentioned within the sub-chapter "Fight against climate change" can also improve the air quality.

Aéroports de Paris SA is continuing to reduce the environmental footprint of its vehicle fleet, which includes 241 electric and hybrid service vehicles (25.4% of the light vehicle fleet), and to equip its platforms with charging points (387 at end-2018).

Groupe ADP has continued its mobility plan (PDM)<sup>4</sup> over several years, with tangible measures to optimise the travel of its employees and visitors. The 2016-2018 plan notably achieved the signature of a teleworking agreement, with the development of collaborative tools (Skype/videoconference), the testing of an autonomous electric vehicle and the launch of a car sharing application in line with the Paris-Charles de Gaulle inter-company mobility plan.

The 2019-2021 action plan was prepared with the subsidiaries in 2018. It proposes nine work focuses around four themes: work organisation (flexibility, development of innovative tools), active and shared mobility

for employees, visitors and passengers (car sharing/car pooling), clean mobility, information and awareness raising.

During the 2018 pollution peak, Aéroports de Paris SA deployed the temporary measures recommended by Airparif in such a situation, by limiting use of APUs, engine tests, test flights and the most polluting works projects.

## Waste management and the circular economy

### Policy

As part of its 2016-2020 environmental and energy policy, Aéroports de Paris SA continues to reduce the amount of waste produced at its airports and improve its recovery in order to limit consumption of natural resources.

Waste management and the circular economy rank amongst the more important issues in the materiality study (7.8/10).

### Objectives

Measures have been taken to:

- ◆ reduce waste production and encourage partners to adopt these practices;
- ◆ achieve a 45% material recycling rate for 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 customers by 2020 and reduce food waste in company restaurants.

### Achievements

The waste collection and processing contracts for the Paris airports (granted to the same service provider) provide for an increase in recycling rates by improving the waste sorting systems at the treatment centres of the collection service provider. Biowaste and non-hazardous waste are sorted by channel. All administrative offices have recycling points for paper and printer cartridges. In terminals, sorting bins are installed upstream and downstream of the checkpoints. In 2018, all these measures enabled 36.1% of non-hazardous waste to be recycled or reused (33.1% in 2017).

Groupe ADP promotes the circular economy through different recurring initiatives including:

- ◆ regular action to collect and recycle used work clothes, books and tensaguides (to make into promotional objects);
- ◆ organisation of bio-waste processing at a methanisation plant. 942 tonnes of biowaste was processed into electricity (330 MWh) by the Bionerval methanisation unit in 2017. The digestates (methanisation residues) are given to farmers free of charge for use as fertilisers;
- ◆ collection of cooking oil at Paris-Orly's company restaurants for transformation into agro-fuel.

In 2018, Groupe ADP focused on the circular economy by:

- ◆ organising conferences (as part of the European Sustainable Development week) on the subject;

<sup>1</sup> Electric vehicles, hybrids or vehicles with very low CO<sub>2</sub> emissions.

<sup>2</sup> City cars, management vehicles and small vans.

<sup>3</sup> Ground Support Equipment, Ground handling vehicles.

<sup>4</sup> Change in the Company travel plan (plan de déplacement entreprise - PDE).

- ◇ organising events to promote circular economy;
- ◇ producing a communication booklet on processing leftover food.

The fight against food waste involves awareness raising actions with airport concessions in airports, inter-company restaurant service providers and the Works Council which manages six company restaurants (five restaurants and a snack cafeteria) at the Paris platforms.

In 2018, a specific waste management channel was organised for liquid objects forbidden in aircraft cabins, such as perfume, shampoo, etc., and for sanitary block waste (nappies, sanitary towels).

## Water and soil management

### Policy

Whilst Aéroports de Paris SA's airports do not have any water constraints that would limit development of its activity, water conservation and sustainable management are an integral part of the Group's environmental and energy policy, and rank high in its sustainable development goals.

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. Groupe ADP's laboratory also carries out environmental monitoring of soil quality, using the National Methodology of the Ministry of the Environment. This monitoring checks the compatibility of the environmental state of the sites with their uses and/or development projects, in order to ensure that any on-site pollution is properly handled. The soil pollution management procedures stipulate that a soil diagnosis must be performed each time land changes tenants. These procedures were updated in 2018.

### Objectives

For water, Groupe ADP's environmental and energy policy has three objectives for 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.

### Achievements

#### Reduction in water consumption

Aéroports de Paris SA 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. These platforms do not have any water constraints that would limit the development of its activity.

To succeed in 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.

#### Rainwater and wastewater treatment

At its 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. This order was renewed for Paris-Charles de Gaulle in 2018. The rainwater collection and treatment network was restructured at Paris-Charles de Gaulle.

Paris-Orly airport 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. A new rainwater management plan was also prepared.

Aéroports de Paris is committed to limiting newly sealed surfaces favouring infiltration wherever possible and, failing this, to offset sealed surfaces with retention ponds. As part of a water masterplan, zoning defining rainwater management rules by zone was created to promote infiltration and limit the maximum the flow of leaks from retention ponds to:

- ◇ 1 litre/second/hectare for Paris-Charles de Gaulle airport (rainwater storage capacity equivalent to 550 m<sup>3</sup> per hectare);
- ◇ 10 litres/second/hectare for the catchment basin from the Morée river to Paris-Le Bourget airport.

After treatment, the wastewater produced at Aéroports de Paris SA's 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).

#### Soil quality monitoring

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).

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 depots, etc.).

## Limiting noise and light pollution

### Policy

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 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.

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 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.

In view of its airport activity, Aéroports de Paris SA benefits from exemptions to the application of light pollution regulations.

### Achievements

From 2013 to 2018, Aéroports de Paris SA took part in the Night Flights working group presided by the prefect, Régis Guyot. This work conducted jointly with the airlines and neighbourhood associations resulted in:

- ◆ the 24H generalisation by 2023/2024 of the continuous descent procedure (trials since September 2016 between 00:00 and 5:30 am);
- ◆ the modified aerodynamics of the Airbus A320, which has halved the noise pollution produced by this plane, which is the most common aircraft on the runways at Paris-Charles de Gaulle. At the end of 2018, 80% of the fleet landing at Paris-Charles de Gaulle had been modified;
- ◆ the change in the preferential configuration opening up the possibility of landing with a tailwind in certain circumstances;
- ◆ new rules published on the internet site [entrevoisns.org](http://entrevoisns.org)

Local residents are entitled to free assistance for soundproofing works. They are supported through all stages of their project by a dedicated service which is part of the aid programme. Computerisation has improved data processing and traceability whilst eliminating paper documents. In 2018, 1,731<sup>1</sup> files were processed.

Aéroports de Paris SA also makes available to the public the Vitrail tool to view aircraft flight paths and access information online. Vitrail is available in the Maisons de l'environnement et du développement durable (Environment and Sustainable Development Resource Centres) at Paris-Orly and Paris-Charles de Gaulle, in municipalities that so choose

(via agreements) and just recently, on-line. Linked to Vitrail, an IT tool, Itrap, improves 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.

## Protection of biodiversity

### Policy

Groupe ADP occupies more than 6,000 hectares of land in Île-de-France and is directly involved in the protection of biodiversity. This is one of the six priorities of its 2016-2020 environmental and energy policy, and is included in its sustainable development goals.

The 2017 materiality study showed that the preservation of the natural environment and air quality is a very important issue (8.1/10).

Since July 2018, the Group has taken part in the Act4nature initiative alongside 65 companies, scientific institutions and NGOs.

### Objectives

The protection of biodiversity is based on the following three objectives:

- ◆ 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.

As part of Act4nature, Groupe ADP is committed to:

- ◆ ensuring it knows about the biodiversity present at its airports via regularly updated fauna/flora inventories;
- ◆ integrating a prospective vision of its developments taking the preservation of the biodiversity into account;
- ◆ reinforcing the ecological management of its landscaped areas;
- ◆ raising awareness and implementing participative approaches with its stakeholders.

### Achievements

Groupe ADP conducts most of its actions with partners. The census of the biodiversity of species living at the Paris-Orly and Paris-Charles de Gaulle airports was conducted with the Hop! Biodiversity association and scientific support from the French National Natural History Museum.

Work on the Development, landscape and biodiversity study continued at Paris-Le Bourget and Paris-Orly airports, following that conducted at Paris-Charles de Gaulle airport, with the aim of integrating platform development and preservation of biodiversity

Use of phytosanitary products has been reduced: Paris-Orly airport no longer uses them to maintain its landscaped areas either airside or landside.

<sup>1</sup> Source: Unit for financial aid for soundproofing of houses and tertiary buildings in the Noise Nuisance Plan for Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget.

## Land development and sustainable construction

### Policy

Groupe ADP has set itself the strictest rules to limit primary energy consumption (RT 2012 thermal regulations) in its buildings and has developed a sustainable development and construction policy in order to obtain high environmental quality certification (French HQE® and British BREEAM<sup>1</sup> standards). It has adopted the UN's SDG 11 on sustainable cities and communities.

### Objectives

Groupe ADP is continuing its aim of certifying 100% of its new buildings with an environmental label.

### Achievements

In 2018, the Group's new registered office in Roissy and the Baïkal office building obtained the HQE label.

Izmir Adnan Menderes' domestic terminal obtained LEED Silver certification. Leadership in Energy and Environmental Design is a North-American building standard system similar to HQE in France, with 4 levels: certified, silver, gold, platinum.

Due to its business model, Groupe ADP does not take part of any particular initiative in the fight against food insecurity, the respect of animals, and the sustainable food.

## Environmental indicators for the Group

The figures presented in this table relate to Aéroports de Paris' and TAV Airports own consumption as well as consumption relating to third parties based at its airports.

	Scope	2018	2017
<b>Consumption of drinking water (in m<sup>3</sup>)</b>		<b>4,521,233</b>	
Aéroports de Paris SA	1	3,209,564	2,719,275
TAV Airports	1	1,311,669	nd
<b>Internal consumption of drinking water (in m<sup>3</sup>)</b>		<b>2,590,854</b>	
Aéroports de Paris SA	2	1,514,156	1,397,877
TAV Airports	2	1,076,698	nd
<b>Gas consumption (in MWh HHV)</b>		<b>678,649</b>	
Aéroports de Paris SA	1	244,880	263,155
TAV Airports	1	433,768	nd
<b>Total electricity purchase (internal + external) (in MWh)</b>		<b>535,380</b>	
Aéroports de Paris SA	1	475,338	476,177
TAV Airports	1	60,041	nd
<b>Internal electricity consumption (in MWh)</b>		<b>(✓) 512,148</b>	
Aéroports de Paris SA	2	369,393	370,986
TAV Airports	2	142,755	nd
<b>Heat generation (in MWh)</b>		<b>393,513</b>	
Aéroports de Paris SA	1	323,700	350,527
TAV Airports	1	69,813	nd
<b>Refrigeration output (in MWh)</b>		<b>233,296</b>	
Aéroports de Paris SA	1	154,426	148,375
TAV Airports	1	78,871	nd
<b>CO<sub>2</sub> emissions from power plants, French national quota allocation plan<sup>1/2</sup> (in tonnes)</b>		<b>118,574</b>	
Aéroports de Paris SA	1	45,011	44,600
TAV Airports	1	73,563	nd
<b>NOx emissions from power plants<sup>2/3</sup> (in tonnes)</b>			
Aéroports de Paris SA	1	33	38
TAV Airports	1	nd	nd

<sup>1</sup> Building Research Establishment Environmental Assessment Method.

	Scope	2018	2017
<b>Vehicles CO<sub>2</sub> emissions<sup>2</sup> (in tonnes)</b>			
		<b>4,228</b>	
Aéroports de Paris SA	2	2,581	2,227
TAV Airports	2	1,647	nd
<b>Share of renewable energy in the final internal energy consumption (in %)</b>			
Aéroports de Paris SA	2	15.3	15.7
TAV Airports	2	nd	nd
<b>Increase in energy efficiency compared to 2015 (year of reference) in primary energy consumed/m<sup>2</sup> (in %)</b>			
Aéroports de Paris SA	2	4.4	1.8
TAV Airports	2	nd	nd
		<b>57,632</b>	
<b>Volume of non-hazardous waste collected (in tonnes)</b>			
Aéroports de Paris SA	2	45,565	39,784
TAV Airports	2	12,067	nd
<b>Volume of internal non-hazardous waste collected (in tonnes)</b>			
Aéroports de Paris SA	1	17,047	16,259
TAV Airports	1	nd	nd
<b>Distribution of internal non-hazardous waste by treatment type – ADP SA only (in %)</b>			
Recycled	2	36.7	33.1
Incinerated	2	61.3	65.4
Buried	2	1.9	1.5
		<b>2,817</b>	
<b>Volume of internal hazardous waste collected (in tonnes)</b>			
Aéroports de Paris SA	2	2,729	2,997
TAV Airports	2	88	nd
<b>Help to local residents for soundproofing</b>			
<b>Number of documents (in CCAR)</b>			
Aéroports de Paris SA	2	1,737	2,198
TAV Airports	2	nd	nd
<b>Amounts committed (in €m)</b>			
Aéroports de Paris SA	2	31.31	38.21
TAV Airports	2	nd	nd

Scope 1: internal (Aéroports de Paris SA or TAV Airports) and external (third parties present at our airports).

Scope 2: Internal scope (Aéroports de Paris SA only or TAV Airports only).

(✓) 2018 data checked by Deloitte with reasonable assurance.

<sup>1</sup> Data verified by a third-party controller.

<sup>2</sup> Data over a calendar year.

<sup>3</sup> Data from tests performed by the laboratory or calculated on the basis of the consumption of fuels and emissions factors used as part of the GEREPE declaration f on the basis of continuous measurement.

## 17.5 REGIONAL POLICY

### Neighbourhoods

#### Policy

Aéroports de Paris SA 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 SA is supported by two regional delegations within its Environment, CSR and Regions Department: one to the South for Paris-Orly, the other to the North 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](http://www.entrevoisins.org).

Within these delegations, two Maisons de l'environnement et du développement durable (Environment and Sustainable Development Resource Centres – MEDD), one for Paris-Orly, the other for Paris-Charles de Gaulle, bring Aéroports de Paris SA and local populations closer together through exhibitions, educational seminars, forums and conferences on cultural, economic, environmental and social themes.

Aéroports de Paris SA is responsible for the secretariat of the Consultative Environment Commissions (CCE) and Consultative Commissions for Aid to Local Residents (CCAR), favoured tools 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.

Risks related to this territorial integration are described in the risk factors chapter.

#### Achievements

To prepare the future public consultation in 2019 on the Terminal 4 construction project at Paris-Charles de Gaulle, Aéroports de Paris SA launched initiatives in 2018 to present the project to local residents, using its "Terminal 4 ambassador" employees. These volunteers go out to meet local residents at markets, station exits and town hall squares.

The North Maison de l'environnement has applied to obtain the Tourism and Handicap label. This application is currently being processed.

### Economic development

#### Policy

Within the framework of its sustainable development policy, Groupe ADP promotes economic and social co-operation with local authorities so that the local area benefits from its growth. It 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 Report<sup>1</sup>. The Group is also active through partnership structures devoted to employment and development of the economy.

According to the 2017 Utopies study, 122,040 people worked at the airports in 2016 (90,190 at Paris-Charles de Gaulle, 28,360 at Paris-Orly and 3,490 at Paris-Le Bourget). The Paris airports supported 2.2% of jobs in France and contributed to wealth creation for the national economy

of €30.3 billion in 2016. On a regional basis, the overall economic activity generated by the Paris airport system represents 3.9% of the Île de France region's GDP and 7.9% of the jobs in the Île de France region (570,860 jobs).

### Achievements

#### Professional inclusion and employability

For over fifteen years, Groupe ADP, in conjunction with its economic partners, has been investing in programmes to encourage inclusion, employability and job retention.

Since 2017, the NGO Planèt'AIrport 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'AIrport, 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.

Aéroports de Paris SA's two regional delegations also take part in information forums about airport occupations, organised by schools and local communities next to the airports. Specifically, they organise recruitment forums for companies in sectors in demand, along with the Job Centres and local prescribers.

At Paris-Charles de Gaulle, the North delegation organises and contributes to actions carried out by the Roissy-Charles de Gaulle Emploi public interest group (GIP) and its partners: recruitment forums, sector conferences for employment prescribers, the ENVOL'Pro mechanism for young job seekers to acquire language and professional skills through professional immersion abroad.

#### Company support

Via the PLATO Network, Groupe ADP supports managers of SMEs in its regions, in partnership with the Chambers of Commerce and Industry

It also helps young companies and supports their location in its local regions. At Paris-Charles de Gaulle, it is supported by a partner structure, the Hubstart Paris Region business incubator, and takes part in the Val d'Oise Technopole bodies.

In 2018, the North delegation, along with the Entreprendre Network, consular chambers, inter-municipal associations and other partners, organised the *Journée de la création et reprise d'entreprises* (company creation and takeover day). Along with the three Chambers of Commerce and Industry of Grand Roissy-Le Bourget, it also organised the *Faites de l'international* event, which was the chance for small and medium-sized companies to meet country and business line experts and obtain help on boosting their foreign presence and reinforcing their export capacity.

<sup>1</sup> Available on the website [www.groupeadp.fr](http://www.groupeadp.fr).

## Sustainable purchasing

### Policy

Aéroports de Paris' purchases exceed €1 billion per year, broken down on the one hand into general, service and operations purchases, and on the other, maintenance and operations work purchases.

Signed by the Chairman and CEO in 2015, Groupe ADP's Purchasing policy is built around three strategic focuses:

- ◇ quality at the best price and the best timescale;
- ◇ supplier relations;
- ◇ responsible purchasing.

Deployed since 2014 and signed by all suppliers under contract, the Supplier CSR charter makes it possible to promote and share its CSR commitments with suppliers. It was updated in 2018 to include the stricter requirements set by the anticorruption (Sapin II) law and the law on the duty of vigilance (see Chapter "Aéroports de Paris CSR policy").

By supporting its suppliers in their progress and continuous improvement in terms of CSR, Groupe ADP consolidates its position as a responsible order giver and co-builds the products and services adapted to its quality requirements with them. The ambition to achieve the highest level of CSR performance has led to tangible actions to:

- ◇ promote ethical practices and secure the purchasing and procurement processes;
- ◇ reduce health and social risks;
- ◇ limit the environmental impact of products and services throughout their life cycle;
- ◇ further stimulate the economic fabric and innovation through reinforced collaboration with local SMEs;
- ◇ continue the Purchasing department's involvement in the SME Pact;
- ◇ promote solidarity purchasing.

Training and awareness-raising programmes on responsible purchasing have been provided to buyers since 2007: they recap Groupe ADP's CSR challenges, explain the contribution made by the Purchasing department to its CSR performance, and using specific examples, clarify the means by which the responsible purchasing process is applied. In 2018, all Purchasing department employees were trained in the risks related to the practices and behaviours indicated in the Sapin II law.

Moreover, the compensation of the Purchasing Director and buyers comprises a variable portion partly based on the achievement of CSR objectives.

Since 2014, suppliers can contact the Audit Director to resolve conflicts. In 2018, the Audit Director was contacted for the first time, leading to an immediate resolution of the dispute.

### Objectives

In 2018, the Purchasing department set itself the following objectives:

- ◇ include a judgement criterion based on CSR (environmental, social or societal aspects depending on the type of contract) in 80% of contracts signed;
- ◇ include energy performance criteria in 70% of "high-energy consumer" contracts;
- ◇ generate €1 million in revenue with companies in the protected and adapted sector: 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.;

- ◇ include social insertion clauses for 5% of the workforce for structural work projects.

### Achievements

At end-November 2018:

- ◇ 92% of contracts signed (72% in 2017) representing over 98% of the expenses by the Purchasing department included a CSR rating criterion;
- ◇ 80% of so-called "high-energy consumer" contracts included an energy performance criterion;
- ◇ over €750,000 in purchases had been granted to 21 suppliers in the sheltered and protected sector. 88% of these services are covered by multi-year contracts;
- ◇ building work on the junction building and Orly West hall 1 included over 100,000 and 11,000 insertion hours respectively, well above the initial target. Four work projects (at Paris-Charles de Gaulle satellite 1 junction and refurbishment of terminals B and D, at Orly West redesign of the international departures and refurbishment of hall 1) plan a total of 200,000 hours of social insertion. A contract with Vinci Insertion will promote the link between contract holders and social insertion companies.

Since 2015, the Purchasing department and Human Resources Department have collected the annual accident rates for supplier work on airport service contracts. Based on this data, they monitor the changes by purchasing segment and identify the segments with the highest risk in order to undertake actions with suppliers throughout the contract's duration. In 2018, a working group was launched to implement standardised data reporting processes and tools.

In 2018, the Responsible Supplier Relations and Purchasing label held by the Purchasing department since 2014 was renewed. Awarded by Médiation interentreprises (under the Finance Ministry) and the Conseil national des achats (National Purchasing Council), this label recognises tangible commitments to responsible purchasing, quality supplier and sub-contractor relations, and respect for their interests. Based on over 200 questions followed by an on-site audit over several days, it challenges the department on its responsible purchasing practices.

In 2018, it also obtained the evidence level in the ISO 20400 Responsible Purchasing standard: this distinction will be reviewed each year with a follow-up audit.

In addition, with a rating up significantly (+4 points), awarded during the extra-financial rating conducted by Ethifinances in 2018, it maintains Ethifinance's Excellent level. The auditors highlighted the inclusion of CSR in the purchasing approach.

## Groupe ADP Corporate Foundation

### Policy

Groupe ADP's Corporate Foundation represents the Company's wish to link economic development and a commitment to serve the regional and human environment.

It supports general interest projects in the regions where Groupe ADP operates in France and abroad, prioritising education through 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 interface between the association leading the project and the Foundation.

Groupe ADP's Corporate 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. A selection committee meets once a year to analyse the supporting application files in the intervention areas covered by the Foundation's Articles of Association and set the subsidy amounts.

## Achievements

In 2018, 178 employees gave time out of their working or personal time to the associations supported by the Foundation through four 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 educational mission in Madagascar and Benin.

A new senior expertise sponsorship programme was piloted with an employee on assignment to Aviation Without Borders for a two-year period. This programme is currently being included in the GPEC (human resource and skills management planning system) agreement.

In 2018, the Foundation paid € 1,000,000 to 63 projects.

## Measures for consumers

Public and airport safety is the most important issue in the 2017 materiality study. See Risk Factors chapter

## Airport safety

See Risk Factors chapter

## Protecting people and goods

See Risk Factors chapter and the sub-chapter Social Policy of chapter Social information.

## Measures for people with disabilities or impaired mobility

### Policy

In application of (EU) ruling no. 1107/2006 of 5 July 2006, the mission of assisting people with disabilities and impaired mobility (PRM) in Paris-Charles de Gaulle and Paris-Orly has been assured by Aéroports de Paris SA since 22 July 2008. In a context of strong growth in assistance requests, Aéroports de Paris SA is supported by service providers with the aim of improving the quality of service provided: reactivity and availability, adapting the offer to passenger needs.

### Achievements

2018 saw significant work on operational efficiency in order to increase the quality of service to passengers and comply with the operational imperatives of airlines. Efforts were made to improve the reporting system, PRM Manager tool and organisational processes.

An adjustment was made to the PRM fee invoiced to airlines to encourage them to better report PRM at departures, arrivals or transfers (with 36 hours notification before the flight departure or arrival time) in order to enable service providers to better organise their assistance service.

## 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 2018 social reporting period is based on a calendar year (1 January to 31 December 2018) 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 2017 to 30 September 2018, except for CO<sub>2</sub> and NO<sub>x</sub> emissions from plants, which continue to be reported by calendar year and the balance of CO<sub>2</sub> emissions scopes 1-2-3, which is reported to the 2017 calendar year.

-he 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 and Merchant Aviation, which represent 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. It is being extended to the entire Groupe ADP for all social indicators.

## 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.

Quantitative environmental data for owned subsidiaries are not included in the management report, except for TAV Airport, given the impact and representativeness of the data compared with Aéroports de Paris and the non-material nature of data other than CO<sub>2</sub> emissions. Aéroports de Paris brings together the three airports of Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget. For this reporting, TAV Airport brings together its three main platforms: Istanbul Atatürk, Izmir Adnan Menderes and Ankara Esenboğa. The qualitative environmental and social responsibility activities of Aéroports de Paris subsidiaries are included in the relevant sections of the 2018 management report.

The scope of scope 3 CO<sub>2</sub> emissions covers external CO<sub>2</sub> 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 as well as subsidiaries emissions of which Aéroports de Paris does not have operational control.

## 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 2017 reporting and 2018 reporting: Aéroports de Paris strengthened its position in the capital of Airport International Group (AIG) (51% of the capital) and has fully consolidated AIG's results since the 2<sup>nd</sup> half-year of 2018. For the 2018 financial year, the decision was taken not to include AIG in the social (with the exception of the annual average staff numbers published for the scope of the Group including AIG), environmental and societal reporting. Integration is planned for 2019 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 L. 225-102-1 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. 225-102-1 of the French Commercial Code and include:

- ◇ environmental and energy policy;
- ◇ fight against climate change;
- ◇ air quality;
- ◇ waste management and the circular economy;
- ◇ water and soil management;
- ◇ limiting noise and light pollution;
- ◇ protection of biodiversity;
- ◇ land development and sustainable construction.

The choice of environmental indicators was made using a relevant approach that facilitates understanding of the Group's real challenges (thanks to the materiality study conducted in 2017) 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 2018 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.

Please note that for the TAV airports platforms, electricity purchases are lower than internal electricity consumption due to the production of electricity through natural gas, generation sorting plan or solar panels.

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 the Chairman and CEO; for TAV, the average workforce is reported in number of people (and not in full-time equivalent);
- ◆ 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 2018, 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);

- ◆ in 2018, the figure for absence rate and the rate of accident at work are only available for Aéroports de Paris and ADP Internaional.

## 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 2018 Aéroports de Paris management report pursuant to Article L. 225-102-1 paragraph 7 of the French Commercial Code was performed by Deloitte.

Indicators such as CO<sub>2</sub> emissions from energy production plants are audited annually by external parties.

## Correlation table of extra-financial performance statement

Correlation of the extra-financial performance statement and the articles L. 225-102 R. 225-105 and the following ones of the French Commercial Code which regulate the content of the management report in terms of CSR.

Themes	Paragraph correlated
<b>Description of the main risk in term and how the company handle the social and environmental consequences of its activities, as well as the effect of its activities in terms of human rights respect and fight against corruption and tax evasion</b>	<b>Chap. 4.3</b>
Presentation of the policy, objectives and results related to:	
effects of the company activities on respect human rights respect;	Chap. 17.1
effect of the company activities in terms of corruption;	Chap. 17.1
effect of the company activities in terms of tax evasion;	Chap. 17.1
<b>social consequences of the company activities;</b>	<b>Chap. 17.2, 17.3, and 17.5</b>
environmental consequences of the company activities.	Chap. 17.4 and 17.5
Collective agreements signed within the company, and their impacts on the economic performance of the company and on the employee condition of work	Chap. 17.2
<b>Actions undertook to fight against discrimination et to promote diversity</b>	<b>Chap. 17.2</b>
Measures taken for disabled workers	Chap. 17.2
Consequences on climate change of the company's activity and the use of goods and services that the company provides	Chap. 17.4
Social commitments in terms of sustainable development	Chap. 17.4 and 17.5
Social commitments in terms of circular economy	Chap. 17.4
<b>Social commitments in terms of food waste</b>	Chap. 17.4
<b>Social commitments in terms of combating food insecurity, in terms of respect of animal wellbeing, in favor of a responsible, fair and sustainable food</b>	<b>These issues are considered as irrelevant regarding the company business model</b>

# REPORT OF ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PUBLISHED IN THE GROUP MANAGEMENT REPORT

To the Shareholders,

In our capacity as Statutory Auditor of Aéroports de Paris, appointed as independent third party and accredited by COFRAC under number 3-1048 (scope of accreditation available at [www.cofrac.fr](http://www.cofrac.fr)), we hereby report to you on the consolidated non financial statement for the year ended December 31, 2018 (hereinafter the "Statement"), presented in the group management report pursuant to the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

We also present our reasonable assurance report on a selection of information disclosed in the Statement (Frequency rate of workplace accidents with lost time Aéroports de Paris, Internal electricity consumption) on which we conducted specific procedures on your request and outside the scope of our accreditation.

## Company's responsibility

The Board of Directors is responsible for preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies implemented with respect to these risks as well as the results of these policies, including key performance indicators. The Statement was prepared by applying the company's procedures (hereinafter the "Guidelines"), summarized in the Statement and available on the company's website or on request from its headquarters.

## Independence and quality control

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (Code de déontologie). In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

## Responsibility of the statutory auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- ◆ the compliance of the Statement with Article R. 225-105 of the French Commercial Code;
- ◆ the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225 105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

Our responsibility is also to express, on the company's request and outside the scope of our accreditation, a reasonable assurance conclusion on the fact that the information selected by the company (Frequency rate of workplace accidents with lost time Aéroports de Paris, Internal electricity consumption) is, in all material respects, fairly presented in accordance with the Guidelines.

However, it is not our responsibility to provide any conclusion on:

- ◆ the company's compliance with other applicable legal and regulatory provisions, particularly with regard to the duty of vigilance, anti-corruption and taxation the compliance of products and services with the applicable regulations.

## I. Report in accordance with Article L.225-102-1 of the French Commercial Code

### Nature and scope of procedures

We performed our work in accordance with Articles A. 225 1 et seq. of the French Commercial Code defining the conditions under which the independent third party performs its engagement and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement and with ISAE 3000 (Assurance engagements other than audits or reviews of historical financial information).

We conducted procedures in order to assess the Statement's compliance with regulatory provisions, and the fairness of the Information:

- ◆ We familiarized ourselves with the Group's business activity, the report on the main social and environmental risks relating to this activity and the impacts thereof with regard to the respect for human rights and the fight against corruption and tax evasion, together with the subsequent policies and their results.
- ◆ We assessed the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector;
- ◆ We verified that the Statement covers each category of information stipulated in section III of Article L. 225 102 1 governing social and environmental affairs, the respect for human rights and the fight against corruption and tax evasion.
- ◆ We verified that the Statement includes an explanation justifying the absence of information required by paragraph 2 of section III of Article L. 225-102-1.
- ◆ We verified that the Statement presents the business model and the main risks relating to the Group's business activity, including, where relevant and proportionate, the risks generated by its business relations, products or services as well as policies, measures and outcomes, including key performance indicators.
- ◆ We verified that, when relevant to the main risks or policies presented, the Statement presents the information stipulated in section II of Article R. 225-105.
- ◆ We assessed the process of selecting and validating the main risks.
- ◆ We inquired as to the existence of internal control and risk management procedures set up by the company.
- ◆ We assessed the consistency of the results and key performance indicators used with regard to the main risks and policies presented.
- ◆ We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- ◆ We assessed the collection process set up by the entity to ensure the completeness and fairness of the Information.

- ◇ For the key performance indicators and other quantitative outcomes<sup>1</sup> that in our judgment were of most significance, we carried out:
    - ◆ analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes;
    - ◆ substantive tests, on a sampling basis, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities<sup>2</sup> and covered between 24% and 70% of the consolidated data for the key performance indicators and outcomes selected for these tests;
  - ◇ We consulted documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that in our judgment were of most significance<sup>3</sup>;
  - ◇ We assessed the overall consistency of the Statement in relation to our knowledge of the company.
- ◇ As mentioned in the methodological note of the Statement:
    - ◆ The scope of social indicators (except average staff number) relates only, for some indicators, to the Aéroports de Paris company that represents 24% of Group average staff number disclosed, and for other indicators, to the Group ADP excluding TAV Airports and AIG that represents 30% of Group average staff number disclosed;
    - ◆ The average staff number of TAV Airports is disclosed in number of employees instead of full-time equivalent (FTE) as for the rest of the Group ADP because the FTE data is not available for TAV Airports;
    - ◆ Some environmental indicators only relate to the three Aéroports de Paris airport platforms that represent 38% of the consolidated CO<sub>2</sub> emissions from the three Parisian airport platforms of Aéroports de Paris and the three Turkish airport platforms of TAV Airports.
  - ◇ The objectives defined by the environmental and energy policy disclosed in the Statement only relate to the Aéroports de Paris company.

We believe that the procedures we have performed, based on our professional judgment, are sufficient to provide a basis for a limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

## Means and resources

Our work engaged the skills of six people between December 2018 and February 2019.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten interviews with people responsible for preparing the Statement.

## Conclusion

The social indicators (except average staff number) do not cover TAV Airports, due to lack of data reliability as the internal control system is considered insufficient.

Based on our work, except for the matter described above, nothing has come to our attention that cause us to believe that the non-financial statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

## Comments

Without qualifying the conclusion expressed above and in accordance with Article A. 225-3 of the French Commercial Code, we make the following comments:

Paris-La Défense, March 4<sup>th</sup>, 2019

One of the statutory auditors,

Deloitte & Associés

Olivier BROISSAND

## II. Reasonable assurance report on a selection of information disclosed in the Statement

### Nature and scope of procedures

Regarding the information Frequency rate of workplace accidents with lost time Aéroports de Paris, Internal electricity consumption, we conducted work of the same nature as the work described in section 1 above but in further detail, in particular concerning:

- ◆ analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes;
- ◆ substantive tests, on a sampling basis, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents.

The selected sample represents between 62% and 99% of this information.

We believe that this work is sufficient to provide a basis for our reasonable assurance conclusion on this information.

### Conclusion

In our opinion, the Information selected by the Company Frequency rate of workplace accidents with lost time Aéroports de Paris, Internal electricity consumption is, in all material respects, fairly presented in accordance with the Guidelines.

<sup>1</sup> Social indicators: Average staff number, Appointments, Departures, Part of trained employees, Absence rate, Number of workplace accidents with lost time, Frequency rate, Severity rate; Environmental indicators: Water consumption, Gas consumption, Total purchase and internal consumption of electricity, Heat generation, Refrigeration output, CO<sub>2</sub> emissions from power plants and from vehicles, NO<sub>x</sub> emissions from power plant, Share of renewable energy in the final internal energy consumption, Increase in energy efficiency compared to 2015 (reference year) in primary energy consumed/m<sup>2</sup>, Volume of non-hazardous waste collected (total and internal), Distribution of internal non-hazardous waste by treatment type, Volume of internal hazardous waste collected

<sup>2</sup> TAV Airports for average staff number, Aéroports de Paris SA for other social indicators; Airport Izmir Adnan Menderes and Airport Paris-Charles de Gaulle for environmental indicators

<sup>3</sup> Management of talents, Global balance of CO<sub>2</sub> emissions (scopes 1-2-3) and actions to reduce emissions, Actions for regional economic development.



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## MAIN SHAREHOLDERS

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## 18.1 SHAREHOLDING OF THE COMPANY <sup>[AFR]</sup>

In accordance with Article L. 6323-1 of the French Transport Code, the French government must hold the majority of the capital. At 31 December 2018, 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.

As set out in Chapter 9, in the section «PACTE bill containing provisions related to Groupe ADP», it is hereby specified that the PACTE bill definitively adopted by Parliament contains provisions intended to enable the State to hold less than 50% of the capital and voting rights in the Company.

Aéroports de Paris identified its shareholders by carrying out an Identifiable Bearer Shares inquiry as of 31 December 2018 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, 96.4% of the capital was identified. 362 institutional investors were identified in this way.

## Breakdown of capital as of 31 December 2018

Shareholders	As of 31/12/2018			As of 31/12/2017		
	% of capital	% of voting (including double voting rights) <sup>3</sup>	Number of shares	% of capital	% of voting (including double voting rights)	Number of shares
French government authorities	50.6%	58.4%	50,106,687	50.6%	58.5%	50,106,687
Schiphol Group	8.0%	9.2%	7,916,848	8.0%	9.2%	7,916,848
Vinci group subsidiary	8.0%	9.2%	7,916,848	8.0%	9.2%	7,916,848
Predica/ Crédit Agricole Assurances	5.1%	5.8%	5,052,591	5.1%	5.7%	5,052,591
French institutional investors	6.1%	3.5%	6,076,560	6.5%	3.7%	6,398,593
Non-resident institutional investors	15.8%	8.9%	15,346,441	15.8%	9.1%	15,605,446
French individuals and unidentified shareholders	4.3%	3.0%	4,922,293	4.3%	2.6%	4,228,903
Employees <sup>1</sup>	1.6%	1.90%	1,622,332	1.7%	1.9%	1,725,533
Treasury shares <sup>2</sup>	0.0%	0.0%	0	0.0%	0.0%	9,151
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>98,960,602</b>	<b>100.0%</b>	<b>100.0%</b>	<b>98,960,602</b>

<sup>1</sup> Includes shares held by employees and former employees of Aéroports de Paris and its subsidiaries through the mutual fund of the Plan d'Épargne Groupe (Group savings scheme), FCPE ADP Actionnariat Salarié of Aéroports de Paris.

<sup>2</sup> As part of the share buyback programme. These shares have no voting rights.

<sup>3</sup> Pursuant to article L. 225-123 of the French Commercial Code, certain shareholders will automatically be entitled to double voting rights as of 3 April 2016.



## 18.2 CHANGE IN THE CONTROL OF THE COMPANY <sup>FR</sup>

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*, 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 threshold 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 companies it controls, is therefore 5.14% of the share capital.

### 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<sup>1</sup>.

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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<sup>2</sup>, two agreements have been signed:

- ◇ a shareholder agreement concerning Aéroports de Paris, signed by the French government authorities and the Schiphol Group, in the presence of Aéroports de Paris;
- ◇ an exit agreement ("the Exit Agreement") signed by Aéroports de Paris and the Schiphol Group.

The terms of these agreements with regard to the transfer or acquisition of Aéroports de Paris shares are as follows.

<sup>1</sup> See in this connection Section 21.2.

<sup>2</sup> See also the section in Chapter 6 entitled "Partnership with Schiphol Group".

### 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 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.

## OPERATIONS WITH RELATED PARTIES

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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.

This company's activity will end during 2019 given the completion of its missions and the content of Ruling no. 2016-157 of 18 February 2016 on the development of rail infrastructure between Paris and Paris-Charles de Gaulle airport.

Pursuant to this ruling, GI CDG Express, owned by Aéroports de Paris, SNCF Réseau and the Caisse des dépôts et consignations was constituted on 10 October 2018.

On 7 February 2019, the French State granted a concession to this company for the design, financing, development or construction, operation and maintenance, including the maintenance and renovation, of a rail infrastructure destined for the operation of a public transport service between Paris and Paris-Charles de Gaulle airport for a term of 50 years.

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' special report on regulated agreements and commitments for the 2018, 2017 and 2016 financial years are presented in Appendix 1 of this Registration Document, and of the 2017 and 2016 Registration Documents.

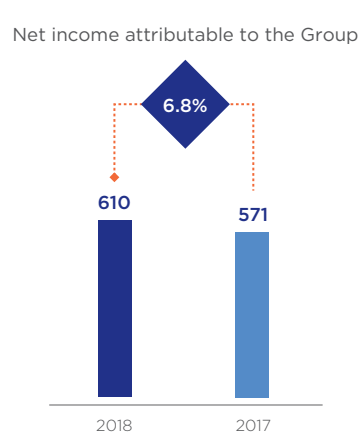
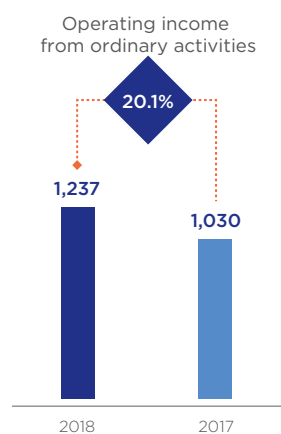
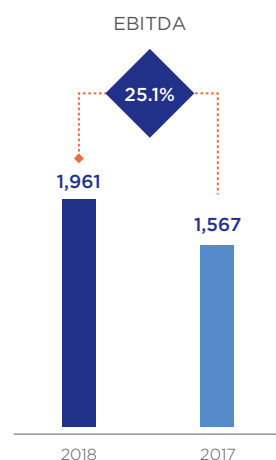
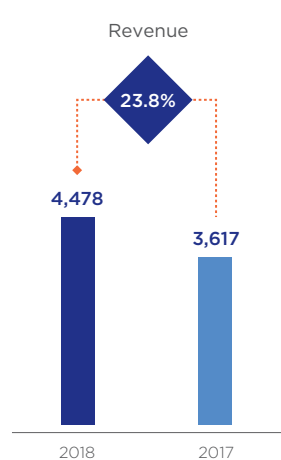
# FINANCIAL INFORMATION ON THE ASSETS, FINANCIAL POSITION AND CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2018 <sup>AFR</sup>

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## 20.1 GROUPE ADP CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2018

### Key figures

<i>(in millions of euros)</i>	Notes	2018	2017
<b>Revenue</b>	4	<b>4,478</b>	<b>3,617</b>
<b>EBITDA</b>		<b>1,961</b>	<b>1,567</b>
<i>EBITDA/Revenue</i>		43.8%	43.3%
<b>Operating income from ordinary activities</b>		<b>1,237</b>	<b>1,030</b>
<b>Operating income</b>		<b>1,235</b>	<b>1,052</b>
<b>Net income attributable to the Group</b>		<b>610</b>	<b>571</b>
<b>Operating cash flow before change in working capital and tax</b>		<b>1,835</b>	<b>1,470</b>
<b>Purchase of property, plant, equipment and intangible assets</b>	12	<b>(1,078)</b>	<b>(879)</b>
<b>Equity</b>	7	<b>5,801</b>	<b>5,434</b>
<b>Net financial debt</b>	9	<b>4,942</b>	<b>3,797</b>
<i>Gearing</i>		85%	70%





## 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, and gain or loss from disposal of assets from real estate sector.
- ◆ **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.
- ◆ **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 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.
- ◆ **Purchase of property, plant, equipment** corresponds to the acquisition or construction of tangible assets that the Group expects to be used over more than one year and that are recognized only if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.
- ◆ **Purchase of intangible assets** corresponds to the acquisition of identifiable non-monetary assets without physical substance, controlled by the entity and which future economic benefits are expected.
- ◆ **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	2018	2017
<b>Revenue</b>	<b>4</b>	<b>4,478</b>	<b>3,617</b>
Other operating income	4	58	92
Consumables	4	(200)	(165)
Employee benefit costs	5	(890)	(814)
Other operating expenses	4	(1,538)	(1,164)
Net allowances to provisions and Impairment of receivables	4 & 8	53	1
<b>EBITDA</b>		<b>1,961</b>	<b>1,567</b>
EBITDA/Revenue		43.8%	43.3%
Amortisation and impairment of tangible and intangible assets	6	(804)	(615)
Share of profit or loss in associates and joint ventures from operating activities	4	80	78
<b>OPERATING INCOME FROM ORDINARY ACTIVITIES</b>		<b>1,237</b>	<b>1,030</b>
Other operating income and expenses	10	(2)	22
<b>OPERATING INCOME</b>		<b>1,235</b>	<b>1,052</b>
Financial income		100	47
Financial expenses		(306)	(226)
<b>FINANCIAL INCOME</b>	<b>9</b>	<b>(206)</b>	<b>(179)</b>
Share of profit or loss in associates and joint ventures from non-operating activities	-	1	1
<b>INCOME BEFORE TAX</b>		<b>1,030</b>	<b>874</b>
Income tax expense	11	(335)	(260)
<b>NET RESULTS FROM CONTINUING ACTIVITIES</b>		<b>695</b>	<b>614</b>
<b>NET INCOME</b>		<b>695</b>	<b>614</b>
<b>NET INCOME ATTRIBUTABLE TO THE GROUP</b>		<b>610</b>	<b>571</b>
Net income attributable to non-controlling interests		85	43
Basic earnings per share <i>(in €)</i>	7	6.16	5.77
Diluted earnings per share <i>(in €)</i>	7	6.16	5.77
<b>EARNINGS PER SHARE FROM CONTINUING ACTIVITIES ATTRIBUTABLE TO THE GROUP</b>			
Basic earnings per share <i>(in €)</i>	7	6.16	5.77
Diluted earnings per share <i>(in €)</i>	7	6.16	5.77





## Consolidated Statement of Comprehensive Income

<i>(in millions of euros)</i>	<b>2018</b>	<b>2017</b>
<b>Net income</b>	<b>695</b>	<b>614</b>
◊ Translation adjustments	8	(21)
◊ Change in fair value of cash flow hedges	8	1
◊ Share of other comprehensive income of associates, net after income tax	6	(15)
<b>Recyclable elements to the consolidated income statement</b>	<b>22</b>	<b>(35)</b>
◊ Actuarial gains/losses in benefit obligations of fully consolidated entities	(15)	11
◊ Actuarial gains/losses in benefit obligations of associates	-	(1)
<b>Non-recyclable elements to the consolidated income statement</b>	<b>(15)</b>	<b>10</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>702</b>	<b>589</b>
◊ attributable to non-controlling interests	81	30
◊ attributable to the Group	621	559

## Consolidated Statement of Financial Position

### Assets

<i>(in millions of euros)</i>	Notes	As at 31 Dec., 2018	As at 31 Dec., 2017
Intangible assets	6	3,560	2,808
Property, plant and equipment	6	7,272	6,793
Investment property	6	509	476
Investments in associates	4	1,146	686
Other non-current financial assets	9	403	376
Deferred tax assets	11	-	1
<b>NON-CURRENT ASSETS</b>		<b>12,890</b>	<b>11,139</b>
Inventories		38	33
Contract assets		9	-
Trade receivables	4	628	641
Other receivables and prepaid expenses	4	239	243
Other current financial assets	9	201	248
Current tax assets	11	6	59
<b>CASH AND CASH EQUIVALENTS</b>	<b>12</b>	<b>2,056</b>	<b>1,912</b>
Current assets		3,177	3,137
<b>TOTAL ASSETS</b>		<b>16,067</b>	<b>14,276</b>

### Shareholders' equity and liabilities

<i>(in millions of euros)</i>	Notes	As at 31 Dec., 2018	As at 31 Dec., 2017
Share capital		297	297
Share premium		543	543
Retained earnings		4,096	3,834
Other equity items		(86)	(97)
<b>Shareholders' equity - Group share</b>		<b>4,850</b>	<b>4,577</b>
Non-controlling interests		951	857
<b>Shareholders' equity</b>	<b>7</b>	<b>5,801</b>	<b>5,434</b>
Non-current debt	9	5,970	5,320
Provisions for employee benefit obligations (more than one year)	5	484	458
Other non-current provisions	8	39	56
Deferred tax liabilities	11	383	369
Other non-current liabilities	8	780	780
Non-current liabilities		7,656	6,983
<b>CONTRACT LIABILITIES</b>		<b>6</b>	<b>-</b>
Trade payables	4	590	422
Other debts and deferred income	4	793	724
Current debt	9	1,159	645
Provisions for employee benefit obligations (less than one year)	5	9	10
Other current provisions	8	16	33
Current tax liabilities	11	37	25
<b>CURRENT LIABILITIES</b>		<b>2,610</b>	<b>1,859</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,067</b>	<b>14,276</b>



## Consolidated Statement of Cash flows

<i>(in millions of euros)</i>	Notes	2018	2017
<b>Operating income</b>		<b>1,235</b>	<b>1,052</b>
Income and expense with no impact on net cash	12	644	460
Net financial income other than cost of debt		(44)	(42)
<b>Operating cash flow before change in working capital and tax</b>		<b>1,835</b>	<b>1,470</b>
<b>Change in working capital</b>	12	<b>(3)</b>	<b>113</b>
Tax expenses		(281)	(313)
<b>Cash flows from operating activities</b>		<b>1,551</b>	<b>1,270</b>
Purchase of property, plant, equipment and intangible assets	12	(1,078)	(879)
Change in debt and advances on asset acquisitions		50	(52)
Acquisitions of subsidiaries and investments (net of cash acquired)	12	(630)	20
Proceeds from sale of subsidiaries (net of cash sold) and investments	12	1	21
Change in other financial assets		(20)	(46)
Proceeds from sale of property, plant and equipment		2	6
Dividends received	12	39	42
<b>Cash flows from investing activities</b>		<b>(1,636)</b>	<b>(888)</b>
Capital grants received in the period		3	6
Dividends paid to shareholders of the parent company	7	(342)	(261)
Dividends paid to non controlling interests in the subsidiaries		(65)	(10)
Proceeds from long-term debt		1,064	561
Repayment of long-term debt		(392)	(253)
Change in other financial liabilities		115	(38)
Interest paid		(180)	(139)
Interest received		24	20
<b>Cash flows from financing activities</b>		<b>227</b>	<b>(114)</b>
Impact of currency fluctuations		3	(14)
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>145</b>	<b>254</b>
Net cash and cash equivalents at beginning of the period		1,910	1,656
Net cash and cash equivalents at end of the period	12	2,055	1,910
<i>of which Cash and cash equivalents</i>		2,056	1,912
<i>of which Bank overdrafts</i>		(1)	(2)

## Consolidated Statement of Changes in Equity

Number of shares	(in millions of euros)	Share capital	Share premium	Treasury shares	Retained earnings	Other comprehensive income	Group share	Non-controlling interests	Total
98,960,600	<b>As at Jan 1, 2018</b>	<b>297</b>	<b>543</b>	-	<b>3,834</b>	<b>(97)</b>	<b>4,577</b>	<b>857</b>	<b>5,434</b>
	IFRS 9 & IFRS 15 <sup>1</sup>	-	-	-	(10)	-	(10)	(2)	(12)
	As at Jan 1, 2018 restated <sup>1</sup>	-	-	-	3,824	-	4,567	855	5,422
	<b>Net income</b>	-	-	-	<b>610</b>	-	<b>610</b>	<b>85</b>	<b>695</b>
	Other comprehensive income	-	-	-	-	11	11	(4)	7
	<b>Comprehensive income -2018</b>	-	-	-	<b>610</b>	<b>11</b>	<b>621</b>	<b>81</b>	<b>702</b>
	Dividends paid	-	-	-	(342)	-	(342)	(65)	(407)
	Change in consolidation scope	-	-	-	4	-	4	80	84
98,960,600	<b>As at 31 Dec., 2018</b>	<b>297</b>	<b>543</b>	-	<b>4,096</b>	<b>(86)</b>	<b>4,850</b>	<b>951</b>	<b>5,801</b>
98,960,600	<b>As at Jan 1, 2017</b>	<b>297</b>	<b>543</b>	<b>(12)</b>	<b>3,541</b>	<b>(85)</b>	<b>4,284</b>	<b>7</b>	<b>4,291</b>
	Net income	-	-	-	571	-	571	43	614
	Other equity items	-	-	-	-	(12)	(12)	(13)	(25)
	<b>Comprehensive income -2017</b>	-	-	-	<b>571</b>	<b>(12)</b>	<b>559</b>	<b>30</b>	<b>589</b>
	Dividends paid	-	-	-	(261)	-	(261)	(10)	(271)
	Change in consolidation scope	-	-	-	(5)	-	(5)	830	825
	Other changes	-	-	12	(12)	-	-	-	-
98,960,600	<b>As at 31 Dec., 2017</b>	<b>297</b>	<b>543</b>	-	<b>3,834</b>	<b>(97)</b>	<b>4,577</b>	<b>857</b>	<b>5,434</b>

<sup>1</sup> The method used by the Group for the application of IFRS 9 and IFRS 15 standards is the retrospective method with cumulative effects as of 1 January 2018. Impacts are detailed in Note 1.3. 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

### // DETAILED SUMMARY OF THE NOTES TO THE COMPANY 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 2018 were approved by the Board of Directors on 14 February 2019. They will be submitted for approval by the shareholders during the Annual General Meeting to be held on 20 May 2019.

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, created on the date of 31 December, or falling that, a intermidate situation on this date.

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 of the fair value of the assets acquired and the liabilities assumed in the context of the business combination (see Note 2.1);
- ◇ pension plans and other post-employment benefits (see Note 5);
- ◇ the fair value of investment property (see Note 6.3.2);
- ◇ the valuation of the recoverable value of intangible, tangible assets, and investment properties (see Note 6.4) and on other non-current assets, particularly the investments accounted for under the equity method (see Note 4.9.2);
- ◇ provisions for risks and litigations (see Note 8).

## 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 2018.

These standards are available on the European Commission's web site at the following address:

[http://ec.europa.eu/internal\\_market/accounting/ias/index\\_fr.htm](http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm).

These accounting principles do not differ from the International Financial Reporting Standards issued by the IASB, insofar as the standards and interpretations published by the 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 2018

Standards and amendments effective on 1 January 2018 and that have not been applied earlier by the Group are the following:

- ◇ IFRS 15 - Revenue from contracts with customers (issued in May 2014) and amendments to IFRS 15 (issued in September 2015). This standard replaces IAS 18, Revenue and IAS 11, Construction Contracts. This standard has been endorsed by the regulation (UE) on 22 September 2016;
- ◇ Clarifications to IFRS 15 (issued in April 2016). The objective of this project is to clarify the guidance in IFRS 15 in respect of issues arising from the discussions of the TRG (Transition Resource Group). These topics are mainly related to the identification of performance obligations, distinction between principal versus agent and licenses. This standard has been endorsed by the regulation (UE) on 31 October 2017;
- ◇ 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 replaces IAS 39 Financial Instruments and has been endorsed by the regulation (UE) on 22 November 2016;
- ◇ IFRIC Interpretation 22 - Foreign Currency Transactions and Advance Consideration (issued on December 2016);
- ◇ Amendments to IAS 40 - Transfers of Investment Property (issued on December 2016);

- ◇ 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).

The analysis of the impacts of IFRS 9 and IFRS 15 on the ADP scope as at 1 January 2018 is disclosed in Note 1.3.

The remaining standards, amendments and interpretations mentioned above do not have a significant impact on the consolidated financial statements of the Group.

### Standards, amendments and interpretations that have been endorsed by the EU and applicable after 1 January 2018 and not early adopted by the Group

The Group has not applied the following standards, amendments and interpretations that are not applicable in 2018 but should subsequently be mandatory:

- ◇ IFRS 16 - Leases (issued in January 2016). This standard will replace the standard IAS 17 as well as related IFRIC 4 Interpretation, SIC 15 and SIC 27. This standard must be applied from 2019 onwards;
- ◇ IFRIC 23 - Uncertainty over income tax treatment (issued in June 2017). This interpretation clarifies the application of IAS 12 - Income taxes regarding the accounting and valuation of income tax when it is subject to uncertainty. This interpretation must be applied from 2019 and subsequent years subject to its endorsement by EU on 23 October 2018;
- ◇ Amendments to IAS 28 - Long-term interests in associates and joint-ventures. These amendments should be mandatory for the 2019 and subsequent years subject to its endorsement by EU;
- ◇ Amendments related to Annual improvements to IFRS Standards 2015-2017 Cycle (issued in December 2017);
- ◇ Amendments to IAS 19 - Plan Amendment, Curtailment or Settlement (issued in February 2018). These amendments must be applied as from 1 January 2019 onwards subject to their endorsement by the EU;
- ◇ Amendments to references to the conceptual framework in IFRS standards (issued in March 2018). These amendments must be applied as from 1 January 2020 subject to their endorsement by the EU;
- ◇ Amendments to IFRS 9 - Prepayment features with negative compensation (issued in October 2017). These amendments must be applied as from 1 January 2019;
- ◇ Amendments to IFRS 3 - Definition of a business, (issued on 22 October 2018). These amendment must be applied as from 1 January 2020 subject to their endorsement by the EU;
- ◇ Amendments to IAS 1 and IAS 8: definition of material (issued in October 2018). This amendments must be applied as from 1 January 2020 subject to their endorsement by the EU.

### Estimated impacts of standards effective as from 2019

IFRS 16 "Leases" will be applied by the Group as of 1 January 2019. This standard modifies the accounting treatment of leases contracts, mainly for lessees, which have to recognize an asset (right of use) and a liability (lease dept) for all lease contracts, except for short term leases and leases which the underlying asset is of low value. This standard will replace IAS 17 and its related interpretations.

In 2018, the Group has analyzed all leases and has decided to apply IFRS 16 using the retrospective "modified" method. The impact of the application of this standard as described below mainly concerns contracts for which the Group is a lessee, the effects of the application of the standard being limited for lease contracts in which the Group is a lessor.



Works at the present stage allowed the Group to identify main lease contracts which are vehicle leases and real estate leases. Works in progress mainly concerns the determination of the procedures for monitoring contracts after the application of the standard.

The analysis conducted by the Group at this stage shows that the provisional impacts of the application of IFRS 16 are relatively limited:

- ◇ on the opening balance sheet at 1 January 2019, the estimated impact would lead to:
  - ◆ an increase in assets of around €70 million (an estimated impact of less than 1% of the Group's total assets), and
  - ◆ the recognition of a lease debt of the same amount (approximately 1.5% of the Group's financial debt);
- ◇ the impact on the 2019 income statement should result in:
  - ◆ an improvement in the Group EBITDA of around €10 to €30 million (as a consequence of the reversal of rent charges included in "other external services and charges"),
  - ◆ the recognition of a right of use depreciation between €11 and €20 million, and
  - ◆ financial expenses between €1 and €10 million.

Accordingly with the provisions of the standard, the Group has chosen to use the two practical expedients will not apply IFRS 16 for lease contracts which:

- ◇ the underlying asset is of low value; the Group has retained the amount of €5,000 as a threshold for this contracts;
- ◇ initial term is less than or equal to 12 months.

Regarding the determination of the discount rate the Group takes into account the remaining term of the contracts as of 1 January 2019.

Impact of IFRS 16 restatement at the date of first application will have no effect on the cash flow statement, as these items have no impact on cash flow.

Future minimum lease payments not discounted under operating leases, provided in accordance with IAS 17 (Note 14.1), provide a good indication of the lease debt that will be recognized under IFRS 16, the main differences will arise from the application of the practical expedients provided by the standard and the effect of discounting.

Finally, regarding the other amendments and interpretations mentioned above, they should not have a significant impact on the Group's consolidated financial statements.

### 1.3 Impact related to the first application of IFRS 9 and IFRS 15

The impacts related to the first application of IFRS 9 and IFRS 15 are presented below:

<i>(in millions of euros)</i>	As at 31 Dec., 2017 published	IFRS 9	IFRS 15	As at Jan 1, 2018
<b>Non-current assets</b>	<b>11,139</b>	-	-	<b>11,139</b>
<b>Current assets</b>	<b>3,137</b>	<b>(4)</b>	<b>(12)</b>	<b>3,121</b>
<b>TOTAL ASSETS</b>	<b>14,276</b>	<b>(4)</b>	<b>(12)</b>	<b>14,260</b>

<i>(in millions of euros)</i>	As at 31 Dec., 2017 published	IFRS 9	IFRS 15	As at Jan 1, 2018
<b>Shareholders' equity - Group share</b>	<b>4,577</b>	-	<b>(10)</b>	<b>4,567</b>
<b>Non-controlling interests</b>	<b>857</b>	-	<b>(2)</b>	<b>855</b>
<b>Shareholders' equity</b>	<b>5,434</b>	-	<b>(12)</b>	<b>5,422</b>
<b>Non-current liabilities</b>	<b>6,983</b>	<b>(4)</b>	-	<b>6,979</b>
<b>Current liabilities</b>	<b>1,859</b>	-	-	<b>1,859</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14,276</b>	<b>(4)</b>	<b>(12)</b>	<b>14,260</b>

Since 1 January 2018, the Group applies IFRS 15 "Revenue from contracts with customers" retrospectively only to contracts that are not completed using the cumulative effect of initially applying the standard recognized at the date of initial application. The comparative periods disclosed are therefore not restated in accordance with this method.

These non-significant impact mainly concern long term contracts from:

- ◇ ADP International: revenue from Technical Services Agreements (TSA) are henceforth recognized using a straight line method, considering a continuous transfer of the service ("stand ready obligation over the contract") and are limited, for the variable consideration, to the highly probable amount.

It may be noted that revenue recognition remains unchanged for:

- ◇ airport fees: 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 are recognized progressively as eligible estimated costs reimbursed by the DGAC are incurred, these costs are financed by the airport safety and security fee paid by airlines. This revenue is recognised for the gross amount as Aéroports de Paris SA is primarily responsible for fulfilling its public service mission reimbursed by the DGAC (see Note 4.2.1);

- ◇ revenue from retail activities, rental income and revenue from car parks as those activities are recorded under the scope of IAS 17 "Leases";

- ◇ construction and other services revenue of TAV Airports.

If the revenue had been recognized as of 31 December 2018 under IAS 11 and IAS 18, the impact would have been less than €1 million.

Backlog required by IFRS 15 is disclosed on Note 14.2.

Concerning IFRS 9 "Financial instruments", the Group applies the new measures relating to the classification, valuation and impairment of

financial instruments as from 1 January 2018 retrospectively, with no restatement of comparative period at initial application.

The main adjustments resulting from the application of this standard are non-significant and concern:

- ◇ impairment of receivables: transition from a impairment 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 and the previous amortized cost in the income statement;

- ◇ classification of the non-consolidated entities: this classification is detailed in Note 18. Furthermore, the table hereafter shows as at 1 January 2018 the reclassification of financial instruments qualified as "available-for-sale financial instruments" as at 31 December 2017.

#### Breakdown by category of financial instrument - IAS 39

(in millions of euros)	As at 31 Dec., 2017 published	Fair value			
		Fair value option	Trading	Available-for-sale financial assets	Loans and receivables
<b>Other non-current financial assets</b>	<b>376</b>	-	23	29	<b>324</b>

#### Breakdown by category of financial instrument - IFRS 9

(in millions of euros)	As at Jan 1, 2018	Fair value				
		Fair value option	Trading	Equity instr. - FV through P&L	Equity instr. - FV through OCI	Amortised cost
<b>Other non-current financial assets</b>	<b>376</b>	-	23	28	1	<b>324</b>

## NOTE 2 SIGNIFICANT EVENTS

### 2.1 Reinforcement of Groupe ADP in the capital of AIG

On 18 April 2018, Groupe ADP, through its wholly-owned subsidiary ADP International, has finalized the transaction for the ownership of 51% of the capital, and the exclusive control of Airport International Group ("AIG"), concessionary of Queen Alia International Airport (QAIA) in Amman, Jordan. Groupe ADP's investment stands at \$265 million.

The Group, previously held a 9.5% stake in AIG since which was consolidated according to the equity method; following the acquisition of the exclusive control on 18 April 2018, the entity is fully consolidated since that date.

AIG is a leading airport operator in the Middle East whose main activity is the operation, maintenance and rehabilitation of the existing terminal, as well as the construction of the new terminal of Queen Alia International Airport, which managed 98% Jordanian traffic with 7.9 million passengers in 2017.

With the acquisition of AIG, Groupe ADP will be able to deploy its know-how, expertise and service offer. The objectives are to strengthen the air network from Amman, to improve the quality of service offered to passengers and the performance of aeronautical and commercial activities, and finally to ensure sustainable and socially responsible development for the remaining duration of the concession (until 2032).

In accordance with IFRS3 '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 €23 million on income statement for the year 2018, as detailed in the following table:

(in millions of euros)		
<b>Fair value of AIG Airports shares at 9.5%</b>	<b>A</b>	<b>24</b>
Value of loans and shares accounted for by the equity method of AIG as at 18 April 2018	B	(3)
Conversion reserve	C	4
<b>Capital gain on the revaluation of the 9.5% interest already held<sup>1</sup></b>	<b>(A-B-C)</b>	<b>23</b>

<sup>1</sup> 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 AIG in order to allocate the fair value of the consideration paid (\$265 million for 41.5% of securities and loans equates to €215 million and €24 million for the fair value of 9.5% of securities and loans previously held) between these various elements. Based on these analyses, the revaluation of the opening balance sheet mainly relate to intangible assets, notably airport operation rights, for €196 million (see Note 6.1.1). The preliminary goodwill amounts to €43 million.

As at 31 December 2018, AIG contributed to the consolidated revenue with €175 million, to the operating income from ordinary activities amounts with €10 million and to the consolidated net result with a loss of €13 million.

## 2.2 Acquisition of TAV Antalya by TAV Airports

On 27 February 2018, TAV Airports, whose capital is 46.12% owned by Groupe ADP via its subsidiary Tank OWA Alpha, had signed a Share Purchase Agreement (SPA) to acquire 49% of Fraport IC İçtaş Havalimanı İşletme A.Ş. and 48.99% of Fraport IC İçtaş Antalya Havalimanı Terminal Yatırım ve İşletmeciliği A.Ş. ("TAV Antalya") shares.

The share transfer was completed on 8 May 2018 for €360 million. TAV Airports has co-control of TAV Antalya with its partner and the entity is accounted for using the equity method. Since TAV Airports has the right to receive 50% of the dividends according to the SPA, equity pick up rate in the Group was determined as 23%.

TAV Antalya operates the Antalya International Airport which total traffic in 2017 was 26 million passengers. This operation is a continuation of the development of the Groupe ADP and TAV Airports. TAV Airports consolidated its position as the leading Turkish airport operator by operating four of the five airports on the Turkish Riviera.

The Groupe ADP proceeds with the identification and the valuation of the identifiable assets and liabilities of TAV Antalya in order to allocate the counterpart paid of the fair value (€360 million) between these different items. On the basis of these works, the provisional goodwill amounts to €23 million, disclosed under the line "Investments in associates".

As of 31 December 2018, TAV Antalya contributed to consolidated net profit by a gain of €21 million, disclosed under the line "Share of profit or loss in associates and joint ventures from operating activities".

## 2.3 "PACTE" draft bill containing provisions related to Groupe ADP

The PACTE draft bill on business growth and transformation (No. 1088), which, in Articles 130 to 136, contains provisions relating to the ADP Group, was definitively adopted by Parliament on 11 April 2019. The bill specifically provides for the authorisation of the transfer of the majority of ADP's capital to the private sector and, as of the date of transfer, modifies the conditions for operating within the Greater Paris Region. As such, it provides for the right to operate Paris airports to be limited in time to a period of 70 years, at the end of which ADP's assets operated in the Greater Paris Region and shares in companies held by ADP, with the exception of those dedicated to an activity carried out outside the aerodromes mentioned in Article L.6323-2 of the French Transport Code, will be transferred in full to the State. The draft bill provides that the State will pay ADP compensation in respect of this transfer of assets.

The change in the legal regime of Aéroports de Paris will not have any accounting impact under French standards (used to prepare the financial

statements for the regulated scope); the IFRS treatment remains to be assessed on the basis of future specifications.

The draft bill provides that the State will pay ADP compensation in respect of this transfer of assets.

The draft bill provides that this compensation amount, owing and paid by the State to Aéroports de Paris, shall be made up of two components:

- ◆ the first, paid at the time of the transfer of the majority of ADP's capital to the private sector, is defined as: the sum of the after-tax free cash flows generated by the assets transferred to the State at the end of the 70 years of operation, discounted at the WACC<sup>1</sup> of ADP, after deduction of an estimate of the discounted net book value of the properties expropriated in 70 years at the same WACC. This amount shall be a lump sum and cannot be revised. It is calculated based on available public data, set by decree, with the approval of the Investments and Transfer Committee, (after consultation with a committee composed of three people, appointed jointly, on the basis of their financial expertise, by (i) the first President of the Court of Auditors, (ii) the President of the AMF and (iii) the President of the Association of Chartered Accountants);
- ◆ A second component, paid by the State to Aéroports de Paris at the end of the 70-year period, upon transfer of the ownership of these assets to the State. This second component is equivalent to the net book value of the assets transferred to the State, as presented in ADP's financial statements at the end of the 70-year period. This is set by decree, paid to the company no later than the date of the transfer of ownership of the assets to the State.

The PACTE bill secures and strengthens the current regulatory model applicable to Paris airports:

- ◆ confirmation of ADP's adjusted till model by the PACTE bill;
- ◆ confirmation of the principle of fair return on capital employed, and clarification of the calculation method for the weighted average cost of capital (WACC) for the limits of the regulated scope estimated "using the financial assets valuation model, available market data and parameters considered for the companies engaged in comparable activities";
- ◆ intangibility of the WACC at the limits of the regulated activities which cannot be called into question during the period covered by the Economic Regulation Agreement, including for the current Economic Regulation Agreement.

The draft bill also enables better medium-term visibility:

- ◆ the twofold principle (i) of fair returns on invested capital and (ii) of suitability of fees to the cost of services rendered (including return on invested capital) can be assessed globally and on a provisional basis over the entire duration of the Economic Regulation Agreement;
- ◆ the use of French accounting standards for regulation is confirmed.

Following the law's enactment, regulatory application measures will be required, including the Company's specifications, which would be applied in the event of the transfer of a majority of ADP's share capital to the private sector. The impacts on ADP can only be assessed depending on all of these legal elements, which will be subject to official publication under the usual conditions of publication for laws and regulations.

<sup>1</sup> Calculated according to the financial assets valuation model at the date of transfer of the majority of ADP's share capital to the private sector.

## 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 book 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 11, 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 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 acquisition price and the share acquired in the fair value of the net identifiable assets and liabilities 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 2018

Changes in the scope of consolidation for 2018 are the following:

- ◇ in April 2018, 41.5% additional acquisition of AIG by ADP International, bringing the holding percentage to 51%. Consolidated until this date according to the equity method, AIG has been fully consolidated since April 2018 (see Note 2.1);
- ◇ in April 2018, additional acquisition of a 30%-share in BTA Erus by TAV airports, which brings its shareholding to 100%, and subsequent liquidation of the entity in June 2018;
- ◇ in May 2018, acquisition of 49% of the shares of Turkish company TAV Antalya by TAV Airports (see Note 2.2). TAV Antalya is consolidated according to the equity method;
- ◇ in June 2018, acquisition of 100% of the shares of Sysdream. The entity is fully consolidated since the second half 2018;
- ◇ in July 2018, acquisition of 100% of the shares of Merchant Aviation LLC, fully consolidated since this date;
- ◇ in September 2018, acquisition of a 17% share in Innov'ATM, consolidated according to the equity method;

- ◇ in October 2018, creation of BTA France SAS, wholly owned by TAV Airports;
- ◇ in October 2018, creation of the entity Gestionnaire d'Infrastructure CDG Express, held at 33% and consolidated according to the equity method;
- ◇ in October 2018, liquidation of BTA Danışmanlık company.

### 3.2.2 Reminder of the changes in the scope for 2017

In 2017, the significant changes in the scope of consolidation were:

- ◇ creation of SCI Heka Le Bourget and SAS Chenue Le Bourget, each 40% owned respectively by ADP Immobilier Industriel and Aéroports de Paris SA;
- ◇ disposal of the company TAV Construction and complementary acquisition of 8.12% stake in TAV Airports, which brings its stake to 46.12%;
- ◇ disposal of 80% of Hub Safe, subsidiary of Aéroports de Paris SA;
- ◇ complementary acquisition of 33% stake in BTA by TAV Airports, which brings its stake to 100%.

## NOTE 4 INFORMATION CONCERNING THE GROUP'S OPERATING ACTIVITIES

### 4.1 Segment reporting

In accordance with IFRS 8 "Operating segments", 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 sectors identified in the Groupe ADP in five activities are as follows:

**Aviation:** this sector includes all goods and services provided by Aéroports de Paris SA 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 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 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 ADP International and its subsidiaries, including AIG in full consolidation since 18 April 2018 (see Note 2.1), and TAV Airports in full consolidation since 7 July 2017, the ADP Ingénierie sub-group (including Merchant Aviation LLC since July 2018) and Schiphol Group.

**Other activities:** this sector comprise all activities carried out by Aéroports de Paris SA subsidiaries, which operate in areas as varied as telecoms (Hub One) and security services (Hub Safe until end September 2017). This operating segment also includes the activities of CDG Express Études, a joint venture whose purpose is to carry out or commission the studies needed to carry out the CDG Express project, as well as the activities dedicated to the Group's innovation via the company ADP Invest.

Key indicators used and reviewed internally by the operation decision-maker of the Group are:

- ◇ revenue;
- ◇ EBITDA;
- ◇ share of profit or loss in associates and joint ventures from operating activities;
- ◇ operating income from ordinary activities.

Revenue and net income of Groupe ADP break down as follows:

(in millions of euros)	Revenue				EBITDA	
	2018	of which inter-sector revenue	2017	of which inter-sector revenue	2018	2017
Aviation	1,890	1	1,813	1	603	551
Retail and services	1,000	142	953	146	580	533
Real estate	265	48	250	42	148	209
International and airport developments	1,412	14	682	16	585	252
Including TAV <sup>1</sup>	1,166	-	616	-	548	280
Including AIG	175	-	-	-	54	-
Other activities	156	40	217	93	46	24
Eliminations and internal results	(245)	(245)	(298)	(298)	(1)	(2)
<b>TOTAL</b>	<b>4,478</b>	<b>-</b>	<b>3,617</b>	<b>-</b>	<b>1,961</b>	<b>1,567</b>

(in millions of euros)	Amortisation & Depreciation		Share of profit or loss in associates and joint ventures from operating activities		Operating income from ordinary activities	
	2018	2017	2018	2017	2018	2017
Aviation	(295)	(279)	-	-	307	272
Retail and services	(124)	(131)	2	3	458	404
Real estate	(49)	(46)	2	(2)	101	161
International and airport developments	(323)	(143)	76	77	339	186
Including TAV <sup>1</sup>	(277)	(143)	49	74	320	211
Including AIG	(43)	-	23	-	33	-
Other activities	(13)	(16)	-	-	33	9
Eliminations and internal results	-	-	-	-	(1)	(2)
<b>TOTAL</b>	<b>(804)</b>	<b>(615)</b>	<b>80</b>	<b>78</b>	<b>1,237</b>	<b>1,030</b>

<sup>1</sup> As at 31 December 2018, TAV Istanbul, which operates Istanbul Atatürk airport and which activity is expected to be transferred in 2019 (see Note 6.1), contributed €471 million to the consolidated revenue, €263 million to the consolidated EBITDA, with a loss of €166m to the consolidated amortisation & depreciation, and €97 to the consolidated operating income from ordinary activities.

**Consolidated revenue** of the Group increased by €4,478 million in 2018 up to €861 million, mainly due to:

- ◇ the global integration of TAV Airports since the second half of 2017 which contributes up to €1,166 million in revenue and Airport International Group (AIG) in Avril 2018 which contributes turnover up to €175 million. Excluding the global integration of these two entities, the Groupe ADP's revenues grew by 4.6% to €3,137 million;
- ◇ the growth in airport fees revenue at Paris Airports (+5.6%, at €1,115 million), driven by passengers traffic dynamics<sup>1</sup> (+3.8%) and the increase prices as of 1 April 2018 (+2.13%) despite the strikes of the first half of 2018.
- ◇ the growth in the retail and services sector, of 4.9% to €1,000 million, driven notably by the performances of commercial activities (+6.8%, to €490 million);

- ◇ the increase in real estate sector of 6% to €265 million, mainly due to the positive effect of the acquisition of the entire "Dôme" building in Paris-Charles de Gaulle in December 2017.

The segment of other activities and the inter-sector eliminations were impacted by the disposal of 80% of Hub Safe share capital, which resulted in a change of consolidation method of the company results as from the 4<sup>th</sup> quarter of 2017. Hub Safe results are now accounted for in share of profit or loss in associates and joint-ventures from non-operating activities. In 2018, the net loss in revenue related to the share of Hub Safe revenue outside Group amounts to 8€ million compared to 2017.

The amount of the inter-sector elimination amounts to €245 million in 2018, with a decrease of 18%, due to the change of consolidation method of Hub Safe, whose activity was mainly performed within the Group.

<sup>1</sup> Groupe ADP traffic: +7.6% up to 281.3 million passengers.  
Paris Airport traffic: +3.8% up to 105.4 million passengers.



## Revenue 2018

(245)

Intersegment eliminations

157

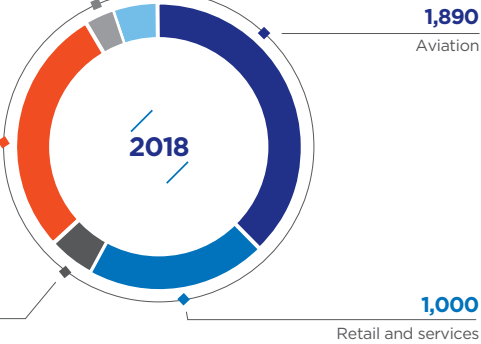
Other activities

1,412

International and airport development

265

Real Estate



## Revenue 2017

(298)

Intersegment eliminations

217

Other activities

682

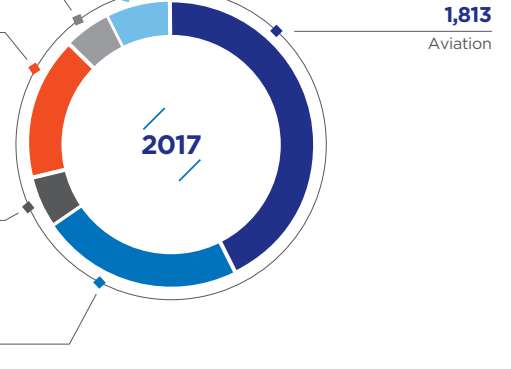
International and airport development

250

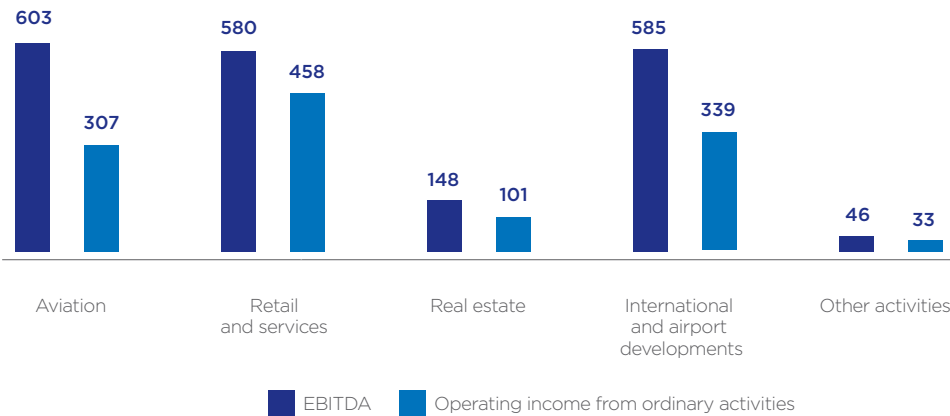
Real Estate

953

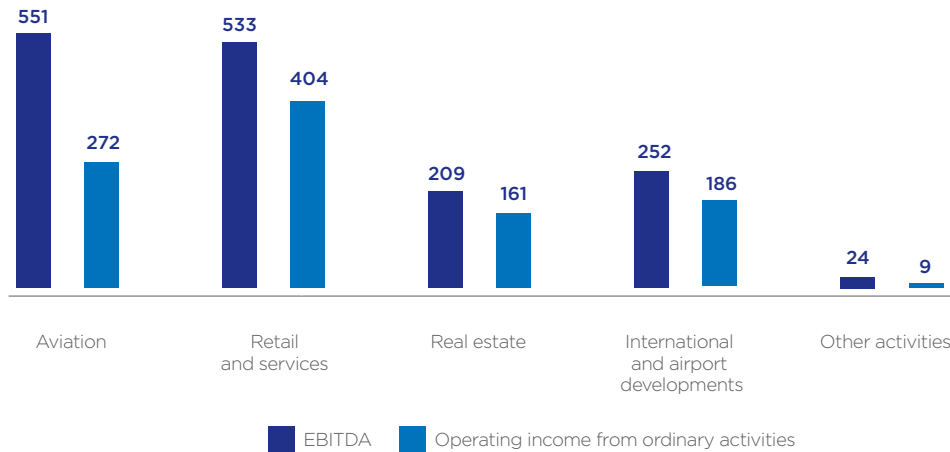
Retail and services



## EBITDA and 2018 operating income from ordinary activities



## EBITDA and 2017 operating income from ordinary activities



## 4.2 Revenue

Groupe ADP applies IFRS 15 “Revenue from Contracts with Customers” since 1 January, 2018. This standard:

- ◆ replaces IAS 18 “Revenue” and IAS 11 “construction contracts” and related interpretations;
- ◆ introduces a unique revenue recognition model for all types of contracts;
- ◆ is based on the principle of revenue from contracts with customer’s recognition when the transfer of control of the good or service to the customer occurs, and for the amount the entity expects to be entitled to;
- ◆ enforces that variable consideration is only be included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur;
- ◆ provides details on the recognition of goods and services provided depending on whether the company acts as principal or as an agent.

With the exception of a few non-material contracts for the Group, the new principles of IFRS 15 did not have the effect of modifying principles applied until now.

The revenue of Groupe ADP according to its five sectors breaks down as follows:

### 1. Aviation sector

**a) 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, the weight of the aircraft and parking time. These fees are recorded as revenue when the corresponding services are used by the airline.

**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. These fees are recognized as revenue when the corresponding services are used by the airline.

**b) 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

**a) 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 IFRS 15 – Revenue from contracts with customers. Insofar as the overall profit or loss on completion of this project cannot be reliably determined, revenue recognition is limited to cost incurred.

**b) 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.

**c) 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 **Media Aéroports de Paris**, which offers advertisers an advertising exhibition at Paris airports via digital, connected and interactive solutions.

### 3. Real estate sector

**a) 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 **ADP International** and its subsidiaries including **AIG** since 18 April 2018 as well as the subgroup **ADP Ingénierie** and **TAV Airports** since 7 July 2017.



◆ Revenue of **TAV Airports** breaks down as follows:

**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;

**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 and as intangible or financial assets on the balance sheets. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately;

**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) recognized pursuant to IFRIC Interpretation 12 (see Note 6.1).

◆ Revenue of **AIG** breaks down as follows:

**aviation income:** Aviation income include passenger fees, aircraft circulation fees, revenues related to the provision of common terminal equipment (CUTE), as well as other revenues (ground handling, fuel charges). These revenues are recognized when it is probable that the economic benefits will be perceived by the Group and that they can be quantified as reliable;

**commission:** the revenue is recognized at the beginning of each quarter based on traffic projections and a commission per passenger, Minimum Revenue Guaranteed (MRG). Each month AIG records the highest amount between the MRG and 30% of the sales made during the month;

**area allocation income:** recognized on a linear basis over the term of the lease:

◆ the revenue of **ADP Ingénierie** is 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 mostly of these long-term contracts are accounted by using the percentage-of-completion method through costs incurred,

◆ the revenue of **ADP International** is 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 revenue generated by the subgroup Hub One, the subgroup Hub Safe was disposed in September 2017. This revenue is described below:

◆ **Hub One** offers telecom operator services, as well as traceability and mobility solutions of goods with its subsidiary Hub One Mobility. Its revenue is presented in others incomes;

◆ **Hub Safe** provided services in airport security. As 80% of the shares were sold on 30 September 2017, no revenue is recorded in 2018.

The breakdown of the Group's revenue per sector after eliminations is as follows:

(in millions of euros)	2018					Total
	Aviation	Retail and services	Real estate	International and airport developments	Other activities	
Airport fees	1,114	-	-	529	-	1,643
Ancillary fees	239	10	-	6	-	255
Revenue from airport safety and security services	499	-	-	-	-	499
Retail activities	-	490	2	449	-	941
Car parks and access roads	-	173	-	33	-	206
Industrial services revenue	-	41	-	5	-	46
Rental income	14	109	198	53	-	374
Revenue from long term contracts	-	20	-	28	-	48
Other revenue	23	15	3	288	116	445
Operating financial revenue	-	-	14	7	-	21
<b>TOTAL</b>	<b>1,889</b>	<b>858</b>	<b>217</b>	<b>1,398</b>	<b>116</b>	<b>4,478</b>

## 2017

<i>(in millions of euros)</i>	Aviation	Retail and services	Real estate	International and airport developments	Other activities	Total
Airport fees	1,055	-	-	203	-	1,258
Ancillary fees	230	7	-	4	-	241
Revenue from airport safety and security services	487	-	-	-	-	487
Retail activities	-	459	2	225	-	686
Car parks and access roads	-	171	-	15	-	186
Industrial services revenue	-	40	-	3	-	43
Rental income	14	107	197	22	-	340
Other revenue	26	23	-	190	124	363
Operating financial revenue	-	-	9	4	-	13
<b>TOTAL</b>	<b>1,812</b>	<b>807</b>	<b>208</b>	<b>666</b>	<b>124</b>	<b>3,617</b>

The breakdown of the Group's revenue per major client is as follows:

<i>(in millions of euros)</i>	2018	2017
<b>Revenue</b>	<b>4,478</b>	<b>3,617</b>
Air France	777	756
Turkish Airlines <sup>1</sup>	280	153
Easy Jet	75	68
Other airlines <sup>1</sup>	1,030	831
<b>TOTAL AIRLINES</b>	<b>2,162</b>	<b>1,808</b>
Direction Générale de l'Aviation Civile	517	504
Société de Distribution Aéroportuaire	285	273
ATU <sup>1</sup>	253	144
Other customers <sup>1</sup>	1,261	888
<b>TOTAL OTHER CUSTOMERS</b>	<b>2,316</b>	<b>1,809</b>

<sup>1</sup> The increase in revenue realized with Turkish Airlines, ATU, other airlines and other customers is mainly due to the full consolidation of TAV Airports since 7 July 2017.

### 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>	2018	2017
<b>Investment grants recognized in the income statement</b>	<b>2</b>	<b>2</b>
Net gains on disposals	3	64
Other income	53	26
<b>TOTAL</b>	<b>58</b>	<b>92</b>

Other current operating income consists mainly of indemnities recognized for €42 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.

As a reminder in 2017, a profit linked to the disposal of Hub Cargo (Fedex) buildings for €63 million was recognized. Trade receivables and related accounts.





## 4.4 Receivables and related accounts

Trade receivables and related accounts break down as follows:

<i>(in millions of euros)</i>	As at 31 Dec., 2018	As at 31 Dec., 2017
Trade receivables	645	637
Guaranteed passenger fee receivable < 1 year <sup>1</sup>	-	20
Doubtful receivables	46	54
Accumulated impairment	(63)	(70)
<b>NET AMOUNT</b>	<b>628</b>	<b>641</b>

<sup>1</sup> Guaranteed passenger fee receivable < 1 year were transferred to Other current financial assets on 1 January 2018 (see Note 9.5.1).

The Group applies the new IFRS 9 standard which entered into force on 1 January 2018. This standard requires a change in the depreciation method of financial assets. The new method consists in recognising expected credit losses upon the initial recognition of receivables instead of recognising losses when they are actually incurred.

The primary analyses of the historical losses on receivable per client category led the Group to recognise an additional impairment loss of €3 million as at 1 January 2018. Upon initial application of the standard IFRS 9, the impairment loss was recognised through equity (see Note 1.3).

Impairment evolved as follows:

<i>(in millions of euros)</i>	As at 31 Dec., 2018	As at 31 Dec., 2017
<b>Accumulated impairment at beginning of period</b>	<b>(70)</b>	<b>(57)</b>
Increases	(14)	(15)
Decreases	38	11
Translation adjustments	-	7
Change in consolidation scope	(13)	(15)
Other changes	(4)	(1)
<b>Accumulated impairment at closing of period</b>	<b>(63)</b>	<b>(70)</b>

## 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 Consumed purchases

The consumed purchases are detailed as follows:

<i>(in millions of euros)</i>	2018	2017
Cost of goods	(67)	(54)
Electricity	(37)	(29)
Studies, research and remuneration of intermediaries	(17)	(19)
Gas and other fuels	(16)	(12)
Operational supplies	(12)	(12)
Winter products	(10)	(8)
Operating equipment and works	(12)	(8)
Other purchases	(29)	(23)
<b>TOTAL</b>	<b>(200)</b>	<b>(165)</b>

#### 4.5.2 Other current operating expenses

The other current operating expenses are detailed as follow:

<i>(in millions of euros)</i>	<b>2018</b>	<b>2017</b>
External services	(1,178)	(865)
Taxes other than income taxes	(275)	(260)
Other operating expenses	(85)	(39)
<b>TOTAL</b>	<b>(1,538)</b>	<b>(1,164)</b>

The increase in other current operating expenses is mainly due to the full consolidation of TAV Airports since 7 July 2017.

#### // BREAKDOWN OF OTHER SERVICES AND EXTERNAL CHARGES

<i>(in millions of euros)</i>	<b>2018</b>	<b>2017</b>
Sub-contracting	(528)	(445)
◇ Security	(236)	(177)
◇ Cleaning	(86)	(81)
◇ Persons with restricted mobility	(59)	(55)
◇ Transport	(32)	(34)
◇ Recycling trolleys	(13)	(13)
◇ Caretaking	(17)	(14)
◇ Other	(85)	(71)
Maintenance and repairs	(154)	(148)
Concession rent expenses <sup>1</sup>	(249)	(85)
Studies, research and remunerations of intermediaries	(68)	(50)
Insurance	(20)	(18)
Travel and entertainment	(20)	(16)
Advertising, publications, public relations	(28)	(29)
Rental and leasing expenses	(54)	(28)
Other external services	(8)	(13)
External personnel	(6)	(7)
Other external expenses & services	(43)	(26)
<b>TOTAL</b>	<b>(1,178)</b>	<b>(865)</b>

<sup>1</sup> 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). The change of this work is mainly due to the global integration of TAV Airports since 7 July 2017.

#### // BREAKDOWN OF TAXES OTHER THAN INCOME TAXES

<i>(in millions of euros)</i>	<b>2018</b>	<b>2017</b>
Territorial financial contribution	(54)	(53)
Property tax	(97)	(95)
Other taxes other than income taxes	(55)	(50)
Non-refundable taxes on safety expenditure	(69)	(62)
<b>TOTAL</b>	<b>(275)</b>	<b>(260)</b>



## // 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>	<b>As at 31 Dec., 2018</b>	<b>As at 31 Dec., 2017</b>
Operating payables	289	199
Accounts payable	301	223
<b>TOTAL</b>	<b>590</b>	<b>422</b>

### 4.7 Other receivables and prepaid expenses

The details of other receivables and prepaid expenses are as follows:

<i>(in millions of euros)</i>	<b>As at 31 Dec., 2018</b>	<b>As at 31 Dec., 2017</b>
Prepaid concession expenses < 1 year	42	72
Advances and deposit paid on orders	12	4
Tax receivables	74	79
Receivables related to employees and social charges	2	4
Prepaid expenses	34	33
Other receivables	75	51
<b>TOTAL</b>	<b>239</b>	<b>243</b>

Prepaid concession expenses only relate to Atatürk airport, operated by TAV Istanbul. 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 (cf. Note 6.1).

### 4.8 Other payables and deferred income

The details of other payables and deferred income are as follows:

<i>(in millions of euros)</i>	<b>As at 31 Dec., 2018</b>	<b>As at 31 Dec., 2017</b>
Advances and deposits received on orders	13	13
Employee-related liabilities	278	249
Tax liabilities (excl. current income tax)	64	47
Credit notes	28	22
Other debts	144	114
Deferred income	138	130
Concession rent payable < 1 year	90	117
Debt related to the minority put option	38	32
<b>TOTAL</b>	<b>793</b>	<b>724</b>

Deferred income are mainly related to Aéroports de Paris SA and consist mainly in:

- ◆ fixed rent revenue, i.e. €78 million as of 31 December 2018 (€81 million as of 31 December 2017);
- ◆ car park: subscription and reservation, i.e. €14 million as of 31 December 2018 (€13 million as of 31 December 2017);

- ◆ the rent to Air France of terminal T2G, i.e. €3 million as of 31 December 2018 (€3 million as of 31 December 2017).

The debt of 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 rent of TAV Macedonia is 15% of the annual income 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 rent percentage shall change between 2% and 4% depending on the number of passengers;
  - ◇ TAV Milas Bodrum and TAV Ege: the fixed concession rents are defined in the concession contract 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).

## 4.9 Investment in associate and joint ventures from operating (and non-operating) activities

In accordance with the principle explained in Note 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, integrated on the operating result.

Investments in companies over which the Group exercises significant influence or joint control are described below:

### International and airport developments

**TAV Airports:** The companies consolidated under the equity method in TAV Airports are mainly joint-ventures: 50% of parts of TAV Antalya have been acquired in May 2018 and which operates international airport of Antalya, 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.

**Royal Schiphol Group N.V (“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 Pudahel**, 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.

**Société de gestion et d’exploitation de l’aéroport de Conakry (“Sogecac”)**, 28.98%-owned.

**Airport Terminal Operations LTD (“ATOL”)**, company whose main purpose is the management and operation of Sir Seewoosagur International Airport in Mauritius. Although holding only 10% of the capital of this company, ADP International actively participates in the governance as well as the financial and operational decision making policies of the company.

### 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, book store, 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;
- ◇ rents for the occupation of sales areas.

### Real estate

The main companies consolidated under equity method in the Real estate sector are the following:

**Coeur d’Orly Commerces and Coeur d’Orly Bureaux:** Aéroports de Paris is a 50%-co-investor of the Coeur d’Orly project for retail outlets and offices, along with 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 Share of profit or loss of associates and joint ventures from operating activities

The amounts included in the income statement are broken down by sector as follows:

(in millions of euros)	2018	2017
<b>International and airport developments<sup>1/2</sup></b>	<b>75</b>	<b>77</b>
<b>Retail and services</b>	<b>2</b>	<b>3</b>
<b>Real estate</b>	<b>2</b>	<b>(2)</b>
<b>Other activities</b>	<b>-</b>	<b>-</b>
<b>SHARE OF PROFIT OR LOSS IN ASSOCIATES AND JOINT VENTURES FROM OPERATING ACTIVITIES</b>	<b>80</b>	<b>78</b>

<sup>1</sup> In 31 December 2018, this amount includes the share of profit or loss in associates and joint ventures from operating activities of AIG until 18 April 2018, equivalent to a loss of less than €1 million, and the profit recognized as part of the disposal of 9.5% of AIG shares for the total amount of €22 million (see Note 2.1).

<sup>2</sup> Prior to the control acquisition dated 7 July 2017, TAV Airports investment was accounted for using the equity method. Following the additional acquisition on that date, TAV Airports is fully consolidated in the Group accounts. The contribution of TAV Airports in the share of profit or loss in associates and joint ventures from operating activities until 7 July 2017 amounts to €63 million.



#### 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 2018, the Group recognized a provision for depreciation of international investment of €20 million (in 2017, a provision for depreciation of international investment was recognized for €46 million).

#### 4.9.3 Breakdown of balance sheet amounts

The amounts relating to the stakes recognized with the equity method can be analysed as follows:

<i>(in millions of euros)</i>	<b>As at 31 Dec., 2018</b>	<b>As at 31 Dec., 2017</b>
<b>International and airport developments</b>	<b>1,091</b>	<b>654</b>
<b>Retail and services</b>	<b>12</b>	<b>10</b>
<b>Real estate</b>	<b>29</b>	<b>10</b>
<b>Other activities</b>	<b>1</b>	<b>1</b>
<b>TOTAL ACTIVITIES FROM OPERATING ASSOCIATES</b>	<b>1,133</b>	<b>675</b>
<b>TOTAL ACTIVITIES FROM NON-OPERATING ASSOCIATES</b>	<b>13</b>	<b>11</b>
<b>TOTAL INVESTMENT IN ASSOCIATES</b>	<b>1,146</b>	<b>686</b>

The goodwill recognized and included within the shares consolidated under the equity method above amounts to:

- ◇ €149 million for the International and airport developments sector, including €120 million for Schiphol, €23 preliminary goodwill for TAV Antalya and €6 million for TGS;
- ◇ €3 million for the other activities sector.

#### 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>	<b>Net amount as at Jan 1, 2018</b>	<b>Share of net profit (loss) for the period</b>	<b>Change in consolidation scope</b>	<b>Subscription of share capital</b>	<b>Change in translation adjustment reserves</b>	<b>Change in other reserves and reclassifications</b>	<b>Dividends paid<sup>1</sup></b>	<b>Net amount as at 31 Dec., 2018</b>
<b>International and airport developments</b>	<b>654</b>	<b>75</b>	<b>333</b>	<b>50</b>	<b>(1)</b>	<b>16</b>	<b>(36)</b>	<b>1,091</b>
<b>Retail and services</b>	<b>10</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>(3)</b>	<b>12</b>
<b>Real estate</b>	<b>10</b>	<b>3</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>29</b>
<b>Other activities</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>1</b>
<b>TOTAL ACTIVITIES FROM OPERATING ASSOCIATES</b>	<b>675</b>	<b>80</b>	<b>334</b>	<b>65</b>	<b>(1)</b>	<b>19</b>	<b>(39)</b>	<b>1,133</b>
<b>TOTAL ACTIVITIES FROM NON-OPERATING ASSOCIATES</b>	<b>11</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13</b>
<b>TOTAL INVESTMENT IN ASSOCIATES</b>	<b>686</b>	<b>81</b>	<b>334</b>	<b>66</b>	<b>(1)</b>	<b>19</b>	<b>(39)</b>	<b>1,146</b>

<sup>1</sup> Including the results of tax-transparent real estate companies.

#### 4.9.5 Summary Financial Information

The following accounting aggregates of Schiphol and TAV Antalya have been drawn up in accordance to IFRS as adopted by Europe, homogenized according to Group accounting policies.

<i>(in millions of euros)</i>	Schiphol		TAV Antalya	
	As at 31 Dec., 2018	As at 31 Dec., 2017	As at 31 Dec., 2018	As at 31 Dec., 2017
Tangible, Intangible assets and Investment property	5,241	4,795	558	641
Investments in associates	957	921	-	-
Other non-current financial assets	122	100	1	-
Deferred tax assets	94	144	29	30
<b>Non-current assets</b>	<b>6,414</b>	<b>5,960</b>	<b>588</b>	<b>672</b>
Inventories	-	-	2	2
Trade receivables	477	427	10	5
Other receivables and prepaid expenses	13	18	12	17
Cash and cash equivalents	387	170	187	159
<b>Current assets</b>	<b>877</b>	<b>615</b>	<b>211</b>	<b>183</b>
<b>TOTAL ASSETS</b>	<b>7,291</b>	<b>6,575</b>	<b>798</b>	<b>855</b>

<i>(in millions of euros)</i>	Schiphol		TAV Antalya	
	As at 31 Dec., 2018	As at 31 Dec., 2017	As at 31 Dec., 2018	As at 31 Dec., 2017
<b>Shareholders' equity - Group share</b>	<b>4,024</b>	<b>3,877</b>	<b>78</b>	<b>27</b>
Non-controlling interests	49	42	-	-
<b>Shareholders' equity</b>	<b>4,073</b>	<b>3,919</b>	<b>78</b>	<b>27</b>
Non-current debt	2,369	2,075	560	604
Provisions for employee benefit obligations (more than one year)	-	-	3	2
Other non-current liabilities	197	209	-	-
<b>Non-current liabilities</b>	<b>2,566</b>	<b>2,284</b>	<b>563</b>	<b>606</b>
Other current liabilities	452	35	112	207
Current debt	200	337	40	13
Provisions for employee benefit obligations (less than one year)	-	-	1	-
Other current provisions	-	-	4	1
<b>Current liabilities</b>	<b>652</b>	<b>372</b>	<b>157</b>	<b>221</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,291</b>	<b>6,575</b>	<b>798</b>	<b>855</b>

<i>(in millions of euros)</i>	Schiphol		TAV Antalya	
	2018	2017	2018	2017
<b>Revenue</b>	<b>1,510</b>	<b>1,505</b>	<b>324</b>	<b>260</b>
<b>Operating income</b>	<b>375</b>	<b>359</b>	<b>277</b>	<b>223</b>
<b>Financial income</b>	<b>(93)</b>	<b>(86)</b>	<b>(56)</b>	<b>(69)</b>
Share of profit or loss in associates and joint ventures from non-operating activities	94	73	-	-
<b>Income before tax</b>	<b>376</b>	<b>346</b>	<b>123</b>	<b>56</b>
Income tax expense	(95)	(60)	(32)	(16)
<b>Net income</b>	<b>281</b>	<b>286</b>	<b>91</b>	<b>40</b>
<b>Net income attributable to the Group</b>	<b>274</b>	<b>280</b>	<b>91</b>	<b>40</b>
Net income attributable to non-controlling interests	7	6	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>291</b>	<b>267</b>	<b>91</b>	<b>40</b>



## NOTE 5 COST OF EMPLOYEE BENEFITS

Groupe ADP offers benefits to employees such as end-of-career indemnities and health coverage to some of its retiring employees. The main benefit plans are described below. These benefits are classified and accounted for in accordance with IAS 19 applicable since 1 January 2013 "Employee benefits".

### Post-employment benefits - Defined contributions plans

Defined contributions plans are post-employment benefit plans under which the Group's commitment is limited solely to the payment of contributions. The contributions paid are expensed in the period in which they occur.

### Post-employment benefits - Defined benefit plans

Defined benefit plans entail an obligation for the Group to pay an amount or a level of defined benefits. This obligation is recognized as a provision based on an actuarial estimate.

The measurement method used is the projected unit credit method. It consists in estimating the amount of future benefits acquired by employees in exchange for services rendered in the current and prior periods.

Estimates are performed at least once a year by an independent actuary. They rely on assumptions such as life expectancy, staff turnover, and wages forecasts. The discount rate used at year-end is based on first-class bonds of which the maturity date is close to that of the Group's commitments. When these plans are funded by external funding and meet the definition of plan assets, the provision is reduced by the fair value of plan assets.

This provision is broken down into:

- ◆ service costs: they are recognized in the operating income together with other staff expenses;
- ◆ net interest on the net defined liability (including interests from the plan's assets), which include the accretion expense of the liability and the implicit revenue of return on assets;

- ◆ re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, and the difference between the return on plan assets and interest income on plan assets (included in net interests). They are recognized immediately and fully in other comprehensive income (OCI).

In case of a plan amendment, a curtailment or a liquidation, past service costs are recognized immediately in income.

### Other long term employee benefits

Other long term employee benefits include items such as aeronautics industry long-service awards payable to employees of Aéroports de Paris SA, and the corresponding distinguished service bonuses. These are benefits of which the settlement date is expected to exceed 12 months after the end of the reporting period in which the employees render the related services. Measurement and accounting methods are similar to those used for defined benefit plans except for re-measurements that are recognized immediately in income, and not OCI (equity).

### Termination benefits

Termination benefits payable as a result of voluntary redundancy plan are recognized as a liability and expense at the earlier of the following dates:

- ◆ date on which the Group can no longer withdraw the offer of those benefits; or
- ◆ date on which the Group recognizes costs for restructuring that involves the payment of termination benefits.

Concerning the non-recurring elements, the expense is recognized as other operating income and expenses in the income statement. Actuarial hypotheses are presented in Note 5.2.2.

## 5.1 Staff expenses and number of employees

Staff expenses can be analysed as follows:

<i>(in millions of euros)</i>	2018	2017
Salaries and wages	(657)	(581)
Social security expenses	(278)	(261)
Salary cost capitalised	69	69
Employees' profit sharing and incentive plans	(42)	(36)
Net allowances to provisions for employee benefit obligations	18	(5)
<b>TOTAL</b>	<b>(890)</b>	<b>(814)</b>

Capitalised production which amounts to €69 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 €4 million (€7 million in 2017). It is recognized as a reduction of staff expenses in "Salaries and wages".

The average number of employees can be broken down as follows:

	2018	2017
<b>Average number of employees</b>	<b>22,366</b>	<b>17,422</b>
Aéroports de Paris SA	6,349	6,435
TAV Airports <sup>1</sup>	14,644	8,418
Hub Safe <sup>2</sup>	-	1,603
Hub One	500	456
ADP Ingénierie	421	392
Média Aéroports de Paris	57	59
ADP International <sup>3</sup>	395	59

<sup>1</sup> Control acquisition of TAV Airports on 7 July 2017.

<sup>2</sup> Sale of Hub Safe at the end of September 2017.

<sup>3</sup> Average number of employees since the takeover of AIG (see Note 2.1). If the transaction had taken place on 1 January, the average workforce would have been 613.

## 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 at the date of the retirement leave. Employer contributions are due on this amount.

For TAV Airports, 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 whose entity reaches the end of the concession or who retire, are called up for military service or die.

This year, the end date of the TAV Istanbul concession, initially scheduled on 2 January 2021 was brought forward to March 2019. Consequently, several legal indemnities, considered as IAS 19 provision reversals, were paid in 2018, and will continue until March 2019.

In addition to these legal indemnities recognized under IAS 19, TAV Istanbul has offered those employees additional support measures for the end of the concession: payment of not performed notice, payment of unused vacations, cooperation allowance and other contractual and discretionary bonuses.

#### B. HEALTH COVERAGE

Aéroports de Paris SA contributes to financing the contribution of two mutual insurance agreements covering two closed populations of employees who are currently retired.

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

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 additional pension corresponds to the compensation of 50% ARRCO and AGIRC points no-acquired over the period between the release of the PARDA and the age of 65 years,
- ◆ a life annuity and of differential type for a majority of the beneficiaries of the PARDA scheme. This temporary annuity is paid simultaneously to the PARDA pension for firefighters, and between the release of PARDA and the age of 65 for other pre-retirees. This "differential" annuity is calculated as the difference between the net PARDA annuity received by the beneficiary on leaving PARDA and his net legal annuities (SS, ARRCO and AGIRC).

Aéroports de Paris SA provides additional pensions and has insurance contracts to support 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 second scheme. The main risk on these existing L137-11 plans at Aéroports de Paris SA would be the application of the Directive 2014/50 / EU of European Parliament of 16 April 2014 on the acquisition and preservation of supplementary pension rights for workers in the member states of the European Union; expected by Order within a period of 12 months from the promulgation of the PACTE law – would lead to a significant increase in the commitment of Paris SA Airports.

#### D. OTHER BENEFITS

Aéroports de Paris SA provides other benefits to its employees generating a 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:

<i>(in millions of euros)</i>	Post-employment benefits					Total as at	Total as at
	Retirement Plan	Additional retirement benefits	PARDA	Long-service medals	Health cover		
Net Defined Benefit Asset / (Liability) as of the Prior Period End Date	333	74	10	2	49	468	470
(Cost) Recognised in P&L (excl Reimbursement Rights)	27	4	1	-	1	33	18
Remeasurement Gain / (Loss) Recognised in OCI (excl Reimbursement Rights) <sup>1</sup>	12	2	3	-	-	17	(15)
Employer Contributions	-	(3)	-	-	-	(3)	-
Disbursements Paid Directly by the Employer	(33)	(1)	(1)	-	(3)	(38)	(21)
Acquisition / Divestiture	-	-	-	-	-	-	18
Others adjustments	33	-	-	-	-	33	(2)
Currency Gain / (Loss)	(17)	-	-	-	-	(17)	-
<b>Net Defined Benefit Asset / (Liability) as of the Period End Date</b>	<b>355</b>	<b>76</b>	<b>13</b>	<b>2</b>	<b>47</b>	<b>493</b>	<b>468</b>
Defined Benefit Obligation as of the Prior Period End Date	333	74	10	2	49	468	469
Current Service Cost	20	3	1	-	-	24	25
Interest Cost on the DBO	7	1	-	-	1	9	8
Net Actuarial (Gain) / Loss	12	2	3	-	-	17	(15)
Disbursements from Plan Assets	-	(3)	-	-	-	(3)	-
Disbursements Directly Paid by the Employer	(33)	(1)	(1)	-	(3)	(38)	(20)
Past Service Cost - Plan Amendments	(2)	-	-	-	-	(2)	(15)
Past Service Cost - Curtailments	2	-	-	-	-	2	-
Acquisition / Divestiture	-	-	-	-	-	-	18
Others adjustments	33	-	-	-	-	33	(2)
Currency Gain / (Loss)	(17)	-	-	-	-	(17)	-
<b>Defined Benefit Obligation as of the Period End Date</b>	<b>355</b>	<b>76</b>	<b>13</b>	<b>2</b>	<b>47</b>	<b>493</b>	<b>468</b>

<sup>1</sup> The total actuarial losses generated on the pension obligation for €17 million is mainly due to experience losses (update of individual data); the actuarial gains and losses cancel each other out by the change of assumptions.

The flows explaining the changes in provision are as follows:

<i>(in millions of euros)</i>	Present value of employee benefit obligation	Fair value of plan assets	Net actuarial liability
<b>As at Jan 1, 2017</b>	<b>470</b>	<b>(1)</b>	<b>469</b>
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
<b>As at 31 Dec., 2017</b>	<b>468</b>	<b>-</b>	<b>468</b>
Change in consolidation scope	-	-	-
Other changes	33	-	33
Service costs for the period	33	-	33
Interest costs	(17)	-	(17)
Actuarial gain/(loss) in the period	17	-	17
Reduction/curtailment	-	-	-
Cash flows:			
Payments to beneficiaries	(38)	-	(38)
Contributions paid	(3)	-	(3)
Payments received from third parties	-	-	-
<b>As at 31 Dec., 2018</b>	<b>493</b>	<b>-</b>	<b>493</b>

### 5.2.3 Assumptions and sensitivity analysis

The main assumptions used are as follows:

<i>As at 31 Dec., 2018</i>	France	Turkey
Discount rate / Expected rate of return on plan assets	1.50%	18.00%
Inflation rate	1.75%	10%
Salary escalation rate (inflation included)	1.75% -3.55%	11%
Future increase in health care expenses	2.50%	N/A
Average retirement age	62 -65 years	51-52 years

For the rates used in France:

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	High assumption	Impact on present value of obligation at
Drift in medical costs	-1.00%	(5)	1.00%	5
Discount rate / Expected rate of return on plan assets	-0.50%	28	0.50%	(26)
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 2018, a decrease of 100Bp 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>	2018	2017
<b>Provisions as at 1 January</b>	<b>468</b>	<b>469</b>
<b>Increases</b>	<b>66</b>	<b>56</b>
Operating allowances	24	25
Financial allowances	9	8
Recognition of actuarial net gains	17	-
Increase due to changes in consolidation scope	-	23
<i>Other changes</i>	16	-
<b>Decreases</b>	<b>(41)</b>	<b>(57)</b>
Provisions used	(41)	(20)
Recognition of actuarial net gains	-	(15)
Reduction/curtailment	-	(15)
Decrease due to changes in consolidation scope	-	(5)
<i>Other changes</i>	-	(2)
<b>Provisions at 30 June</b>	<b>493</b>	<b>468</b>
Non-current portion	484	458
Current portion	9	10

#### 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 2018 is not significant.

## NOTE 6 INTANGIBLE ASSETS, TANGIBLE ASSETS AND INVESTMENT PROPERTY

### 6.1 Intangible assets

Intangible assets include:

- ◆ airports operation rights (see Note 6.1.1);
- ◆ goodwill generated by business combinations in accordance with the principles outlined in Note 2.3;
- ◆ 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.

Intangible assets are depreciated using the straight-line method according to their estimated useful life and estimated traffic:

Software	4 to 10 years
Patent and licenses	4 to 10 years
User right	15 years
Airport operation right <sup>1</sup>	Concession agreement period

<sup>1</sup> See Note 6.1.1.

**Istanbul Atatürk operations contract:** Considering that TAV Istanbul has control over a significant part of revenue and tariffs, the Group considers that the concession agreement related to Istanbul Atatürk, which terminates as of 2 January 2021 at midnight, does not fall in the scope of IFRIC Interpretation 12 "Service Concession Arrangements". The Group recognized an intangible asset included in the category "other" in

the below table, 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. Considering the anticipated closure of the Atatürk airport, this asset is amortized based on passenger traffic over the estimated remaining term of the concession, taking into account its residual value.

Intangible assets are detailed as follows:

<i>(in millions of euros)</i>	Goodwill	Airport operation right <sup>1</sup>	Software	Other	Fixed assets in progress, related advances & prepayments	Total
Gross value	139	2,021	315	690	29	3,194
Accumulated amortisation & depreciation	(7)	(41)	(236)	(102)	-	(386)
<b>Carrying amount as at Jan 1, 2018</b>	<b>132</b>	<b>1,980</b>	<b>79</b>	<b>588</b>	<b>29</b>	<b>2,808</b>
Purchases	-	17	4	-	24	45
Change in advances and prepayments	-	-	-	-	9	9
Depreciation and Amortisation, net of reversals	-	(123)	(27)	(141)	-	(291)
Changes in consolidation scope	52	862	-	13	-	927
Translation adjustments	2	39	-	1	-	42
Transfers to and from other headings	13	(2)	34	-	(25)	20
<b>Carrying amount as at 30 June 2018</b>	<b>199</b>	<b>2,773</b>	<b>90</b>	<b>461</b>	<b>37</b>	<b>3,560</b>
Gross value	206	2,938	351	700	37	4,232
Accumulated amortisation & depreciation	(7)	(165)	(261)	(239)	-	(672)

<sup>1</sup> See Note 6.1.1

As of 31 December 2018, the goodwill relates mainly to:

- ◆ TAV Airports for €125 million (€113 million as at 31 December 2017);
- ◆ AIG for €43 million (preliminary evaluation – see Note 2.1);
- ◆ Hub One Mobility for €12 million;
- ◆ ADP Immobilier Tertiaire for €7 million;
- ◆ Sysdream for €7 million;
- ◆ Merchant Aviation for €5 million.

The PPA assessment for TAV Airports led in 2018 to the adjustment for provisions for risks and charges and employee benefit obligations for an amount of €26 million net of deferred tax and goodwill for €12 million.

The net amount of transfers from other headings relates in particular to the assets reclassification in progress as intangible assets.

As at 31 December 2018, there is no indicator of impairment loss on the intangible asset related to the operation contract of Istanbul Atatürk airport. Following the transfer of commercial flights from Atatürk airport to the new Istanbul airport, which took place on 6 April 2019, the Group does not expect to have a negative impact on the future results of the concession. Indeed, TAV Airports has been officially informed by the DHMI (Devlet Hava Meydanları İşletmesi) that it will be compensated for the shortfall undergone for the period starting from the transfer of activity to the new airport and the end of the initial concession (2 January 2021 at midnight). The practical terms to determine this compensation are subject to discussions with the DHMI.

## 6.1.1 Airport operation rights

Under the terms of IFRIC 12 Service Concession Arrangements, a concession operator has a twofold activity, for which revenue is recognized in accordance with IFRS 15:

- ◆ 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 progression;
- ◆ an operating and maintenance activity in respect of concession assets;
- ◆ 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 2018, the current part of this financial asset amounts to €21 million and the non-current part amounts to €81 million (see Note 9.5.3).

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	Queen Alia International Airport	Other	Total
	December 2032	February 2027 and August 2027	May 2047	March 2030	December 2035	November 2032		
<b>End of contract date</b>								
<b>Carrying amount as at 31 Dec., 2017</b>	<b>608</b>	<b>361</b>	<b>411</b>	<b>101</b>	<b>438</b>	<b>-</b>	<b>61</b>	<b>1,980</b>
Carrying amount at acquisition date	-	-	-	-	-	862	-	862
Change	-	-	(2)	-	-	17	-	15
Depreciation and Amortisation, net of reversals	(26)	(29)	(14)	(6)	-	(44)	(4)	(123)
Translation adjustments	-	1	-	-	-	38	-	39
<b>Carrying amount as at 31 Dec., 2018</b>	<b>582</b>	<b>333</b>	<b>395</b>	<b>95</b>	<b>438</b>	<b>873</b>	<b>57</b>	<b>2,773</b>
Gross value	619	373	415	105	444	919	63	2,938
Accumulated amortisation & depreciation	(37)	(40)	(20)	(10)	(6)	(46)	(6)	(165)

The main features of concession agreements concerning Izmir Adnan Menderes International Airport, Tbilissi and Batumi International Airport, Monastir and Enfidha International Airport, Skopje and Ohrid International Airport and Milas Bodrum Airport 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** – The Group 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** – The Group 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, the Group leases office space in the airport terminal including the offices leased to the airlines for ticket office and banks;
- ◆ **ground handling** – The Group 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 the Group under these concession agreements include security services within the domestic terminals, bus and car parking services, software and system services, lounge services, airline taxi services.

The main features of concession agreements of Queen Alia International Airport (AIG) are as follows:

- ◆ the tariff regulation applicable to the concessionaire, concerning airport fees and other charges, is included in the concession agreement (Rehabilitation, Expansion and Operation Agreement). The aeronautical tariffs can only be increased by inflation, with the conditions of adjustment provided for in the concession contract;
- ◆ the users and the airlines are at the origin of the remuneration of the contracts;
- ◆ subsidies were granted by the grantor as part of acceleration measures related to the construction contract. No warranty from the grantor is provided in the contracts;
- ◆ the infrastructures are returned to the grantor at the end of the concession without compensation.

#### Impairment loss test of airport concessions:

In December 2017, subsequently especially to the traffic decrease from the airports of Milas-Bodrum and Monastir and Enfidha International in 2016, the impairment tests were realized on these concessions as of 31 December 2018 and were again performed as of 31 December 2018.

#### ◆ Milas-Bodrum Airport

The utility value of the right to operate Milas-Bodrum airport was determined from the business plan on the residual term of the concession (December 2035) and in taking into account the assumption of traffic growth and of the retail revenue per passenger. The actualization rates applied to cash flows correspond to the cost of capital (WACC)'s company and amount to 9.1% in average on the projection period.

The economic sub-jacent were widely improved during the year 2018, the recoverable value is higher than the book value and none of impairment loss has been recognized as of 31 December 2018. The sensitivity analyses justify that an increase of the actualization rate of 100 base points do not lead to any impairment loss.

#### ◆ Monastir and Enfidha International Airport

The utility value of the right to operate Monastir and Enfidha international airports were determined from the business plan, prepared by the management of TAV Tunisia, on the residual duration of the concession (May 2047), on the basis of a debt restructuring assumption in mid-2019, corresponding to the end of the moratorium period. The actualization rates applied to cash flows correspond to the capital cost (WACC)'s company and amount to 8.4% in average on the projection period.

On the basis of the traffic prevision and the business plan, the recoverable value is higher than the book value and none of impairment loss has been recognized as of 31 December 2018. The sensitivity analyses justify that an increase of the actualization rate of 100 base points do not lead to any impairment loss.



## 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	10,825	482	575	960	12,911
Accumulated amortisation & depreciation	(17)	(5,466)	(302)	(333)	-	(6,118)
<b>Carrying amount as at Jan 1, 2018</b>	<b>52</b>	<b>5,359</b>	<b>180</b>	<b>242</b>	<b>960</b>	<b>6,793</b>
Purchases	1	23	39	26	929	1,018
Change in advances and prepayments	-	-	-	-	(1)	(1)
Disposals and write-offs	-	-	(2)	-	-	(2)
Depreciation and Amortisation	(1)	(400)	(35)	(58)	-	(494)
Translation adjustments	-	-	-	4	(2)	2
Transfers to and from other headings	5	532	-	40	(620)	(43)
<b>Carrying amount as at 31 Dec., 2018</b>	<b>57</b>	<b>5,514</b>	<b>182</b>	<b>254</b>	<b>1,265</b>	<b>7,272</b>
Gross value	74	11,329	508	644	1,265	13,820
Accumulated amortisation & depreciation	(17)	(5,815)	(326)	(390)	-	(6,548)

The net amount of transfers from other headings mainly concerns the assets reclassification in progress as tangible assets. This reclassification focuses in particular on the following implemented items:

- ◆ the hold luggage conveying, handling and increased security screening system under satellite S3 of terminal 2E at Paris-Charles de Gaulle;
- ◆ the Baikal office building at Paris-Charles de Gaulle;
- ◆ the extension of hall 1 of the West terminal at Paris-Orly;
- ◆ parts of the renovation of terminal 2B and its junction with terminal 2D at Paris-Charles de Gaulle;
- ◆ the relocation of Paris-Charles de Gaulle taxi operating base and the adjustment of its access roads;

- ◆ sanitary facilities upgrading at both airports;
- ◆ parts of the redesign of the shops in hall K of terminal 2E at Paris-Charles de Gaulle;
- ◆ the renovation of roads and aprons in the cargo zone at Paris-Charles de Gaulle;
- ◆ the taxi operating base at Paris-Orly;
- ◆ the partial commissioning of the rehabilitation of building 5720 at Paris-Charles de Gaulle.

The borrowing costs capitalised at 31 December 2018 in according to IAS 23 revised amounted to €14 million, based on an average capitalization rate of 2.64%.





## 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 Groupe ADP 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 Groupe ADP for its own use are wholly considered as investment property. These are essentially held by Aéroports de Paris SA.

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 SA have been appraised on the Paris-Orly and Paris-Charles de Gaulle platforms; more than 99% of those of Paris-Le Bourget have also been valued by independent experts;
- ◆ the leased properties were valued on the basis of a mixed approach based on external valuations for almost 100% 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 15% 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;
- ◆ the lease contracts operated by the Group are analysed according to the IAS 17 "Lease contracts" standard in order to determine if they are qualified as simple lease contracts or finance lease contracts, through separate analysis of lands and buildings. For finance lease contracts, the disposed asset is taken out of the balance sheet; the gain or loss from disposal is then recognized in operating income from operational activities.

### 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	119	563	95	777
Accumulated amortisation & depreciation	(56)	(245)	-	(301)
<b>Carrying amount as at Jan 1, 2018</b>	<b>63</b>	<b>318</b>	<b>95</b>	<b>476</b>
Purchases and change in advances and prepayments	-	4	11	15
Depreciation and Amortisation	(2)	(18)	-	(20)
Transfers to and from other headings	(1)	61	(22)	38
<b>Carrying amount as at as at 30 June 2018</b>	<b>60</b>	<b>365</b>	<b>84</b>	<b>509</b>
Gross value	118	627	84	829
Accumulated amortisation & depreciation	(58)	(262)	-	(320)

### 6.3.2 Fair value of investment property

The fair value of investment properties amounts to €2,624 million as at 31 December 2018, compared to €2,433 million as at 31 December 2017, representing a growth of almost 8%.

The rate of coverage of external expertise for the buildings valuation and the lands leased to third parties amounts to almost 100% 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 actualization or capitalization rates, market leasing values and specific advantages for lessees.

Some other lands leased to third parties had not yet been assessed; these are mainly located at the general aviation aerodromes.

The fair value of IAS 40 buildings (i.e. not used for Aéroports de Paris' own requirements), including their right-of-way, amounts to €1,147 million in increasing of €95 million compared to 2017. This increase is mainly due to new buildings deliveries such as a business park on the Paris-Orly platform, an office building on the Roissy-Pole district and ongoing developments, particularly in the hotel and freight sector, whose the delivery date approaches.

In addition, areas with more liquidity (standard products with high occupation rates and long committed terms) increases due to the pursue of the compression rates. The year was marked by a strong dynamism of e-retail and by a hotel activity which is doing well, which is reflected on the rates level inducing a mechanical growth of the fair value of warehouse/logistics assets, freight and hotels (impact + €19 million). However the

tertiary rental market tends on the Paris-Charles-de-Gaulle platform combined with a cyclical vacancy of one of our main customers.

The fair value of leased lands amounts to €1,171 million, representing a decrease of 1.4%. This decrease is mainly due to a presentation change operated in 2018 with the maintenance of lands holdings of projects in construction not yet delivered in the land reserves as well as the freehold valuation of the business park delivered at the beginning of the year 2018 on the Paris-Orly platform. On a comparable basis, land is up almost 1% (impact +€8 million).

A mission to critically review of the methodology for valuing land reserves estimated internally was entrusted in 2018 to one of the independent expert firms. The method used has been validated with the recommendations on the valuation criteria to better take into account benchmarks. These recommendations have been incorporated into the fair value estimate of the land reserves.

The land reserves value increases from €162 million to €306 million, as a result of an adjustment to the valuation method mentioned above (impact + €81 million) and retention in land reserves for projects in realization and in negotiation until the delivery asset (impact + €60 million). Unrestricted and immediately exploitable reserves account to almost 66% of available non-project areas in progress and are valued for €194 million. These reserves allow to adapt to all types of needs (tertiary, hotels, shops, housing, industrial activity, freight, logistics, maintenance, aeronautical support). They are located at the heart of the platforms and in the periphery, well served by the road and motorway network, mainly consisting of land currently unused and easily developed, but also areas of activity undergoing restructuring, suitable for densification. In addition, their public transport service should be substantially improved with the Grand Paris metro (line 14 and 18 at Orly, line 17 at LBG and CDG), and CDG express.

The short-term mutable zones represent about 60 hectares and currently represent a value of €37 million with significant growth potential in the short and medium term.

External valuations made appear the main immediate returns on investments properties presented below:

<i>(in millions of euros)</i>	<b>As at 31 Dec., 2018</b>	<b>As at 31 Dec., 2017</b>	<b>Rate of immediate return</b>
<b>Buildings</b>			
Offices Paris-Charles de Gaulle	382	404	6.5% -9.0%
Cargo Paris-Charles de Gaulle	329	272	8.0% -10.0%
Hangars Paris-Charles de Gaulle	91	90	9.0% -13.0%
Hotels/shops Paris-Orly and Charles de Gaulle	48	6	4.0% -6.5%
Hangars/freight Paris-Orly	140	129	10.0% -20.0%
Activity Paris-Orly and Charles de Gaulle	28	27	7.0% -12.0%
Paris-Le Bourget	129	124	7.0% -13.0%
<b>TOTAL OF EXTERNAL RENTED BUILDINGS</b>	<b>1,147</b>	<b>1,052</b>	
<b>Ground leases</b>			
Offices Paris-Charles de Gaulle	93	95	6.0% -7.5%
Cargo Paris-Charles de Gaulle	345	339	6.0% -8.0%
Hangars Paris-Charles de Gaulle	115	115	8.0% -10.0%
Hotels/shops Paris-Orly and Charles de Gaulle	238	253	4.0% -6.5%
Hangars/freight Paris-Orly	44	58	13.0% -16.0%
Logistic/activity Paris-Orly and Charles de Gaulle	202	218	6.0% -9.0%
Paris-Le Bourget and AAG	134	141	5.0% -8.0%
<b>TOTAL OF EXTERNAL GROUND LEASES</b>	<b>1,171</b>	<b>1,219</b>	
<b>TOTAL OF LAND RESERVES</b>	<b>306</b>	<b>162</b>	
<b>TOTAL OF INVESTMENT PROPERTY</b>	<b>2,624</b>	<b>2,433</b>	

## VALUATION HYPOTHESES AND SENSITIVITY ANALYSES

Considering the limited available public data, the complexity of the real estate assets and the fact that real estate experts use for their valuation (i) the Group's confidential rent reports, (ii) non-observable published data e.g. rent increase rates forecasts or capitalization rates; the Group considered the classification under level 3 of these assets to be best suited (see Note 9.5.2 regarding fair value hierarchy).

All things being equal, a combined +25 to +75 basis points change in discount rates and resale, applicated on a sample representing 74% of the value of investment properties (excluding land reserves) would decrease by €72 million (-4%) to €156 million (or -9%) the value of assets excluding transfer taxes and expenses (excluding development assets and land reserves or assets accounted for by the equity method).

## 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 €191 million in 2018 (€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 intangible assets (see Note 6.1), tangible assets (see Note 6.2) and property, plant and equipment (see Note 6.3).

## 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
<b>As at 31 Dec., 2018</b>	<b>297</b>	<b>543</b>	<b>-</b>	<b>4,096</b>	<b>(86)</b>	<b>4,850</b>	<b>951</b>	<b>5,801</b>

#### 7.1.1 Share capital

Aéroports de Paris SA' aggregate share capital amounts to €296,881,806 divided into 98,960,602 fully paid shares of €3 each, which were not subject to any change during the year 2018.

The share capital is accompanied by a share premium of €542,747 thousand 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.

As part of its liquidity contract and in accordance with the authorization given by the shareholders at the ordinary general meeting of 4 May 2018, during the period, the company repurchased and sold 196,596 shares.

Thus, the number of treasury shares that was nil as at 31 December 2017 is also nil as at 31 December 2018 under this contract.

## 7.1.3 Other equity items

Other equity items break down as follows:

<i>(in millions of euros)</i>	As at Jan 1, 2017	Comprehensive income -2017	As at 31 Dec., 2018	As at Jan 1, 2018	Comprehensive income -2018	As at 31 Dec., 2018
Translation adjustments	4	(14)	(10)	(10)	12	2
Actuarial gain/(loss) <sup>1</sup>	(94)	10	(84)	(84)	(11)	(95)
Fair value reserve	5	(8)	(3)	(3)	10	7
<b>TOTAL</b>	<b>(85)</b>	<b>(12)</b>	<b>(97)</b>	<b>(97)</b>	<b>11</b>	<b>(86)</b>

<sup>1</sup> 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., 2018	As at 31 Dec., 2017
Reserves of parent company Aéroports de Paris:		
◇ Legal reserve	30	30
◇ Other reserves	865	865
◇ Retained earnings	1,288	1,102
Consolidated reserves	1,303	1,266
Net income for the period attributable to the owners of the parent company	610	571
<b>TOTAL</b>	<b>4,096</b>	<b>3,834</b>

## 7.1.5 Dividends paid

Dividends paid amounted to:

- ◇ €342 million in 2018, *i.e.* €3.46 per share, in compliance with Resolution 3 of the 4 May 2018 Ordinary General Meeting of Shareholders;
- ◇ €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.

## 7.1.6 Proposed dividends

During the Ordinary General Meeting of Shareholders of the Group approving the 2018 accounts, the payment of a dividend amounting to €3.70 per share *i.e.* a total amount of €366 million will be proposed, on the basis of the number of shares existing as at 31 December 2018.

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 2018 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 2018 and the payment of the interim dividend for 2018 was made on 10 December 2018.



## 7.1.7 Earnings per share

The calculation of earnings per share is as follows at the closing date:

	2018	2017
Weighted average number of outstanding shares (without own shares)	98,955,790	98,955,790
Net profit of continuing activities attributable to owners of the parent company (in million euros)	610	571
<b>Basic earnings per share (in €)</b>	<b>6.16</b>	<b>5.77</b>
<b>Diluted earnings per share (in €)</b>	<b>6.16</b>	<b>5.77</b>
Net income attributable to owners of the parent company (in million euros)	610	571
<b>Basic earnings per share (in €)</b>	<b>6.16</b>	<b>5.77</b>
<b>Diluted earnings per share (in €)</b>	<b>6.16</b>	<b>5.77</b>

Basic earnings per share correspond to the income attributable to holders of equity in the parent company.

The weighted average number of shares corresponds to the number of shares making up the share capital of the parent company, less the average

self-owned shares held during the period, i.e. 2,142 as at 31 December 2018 and 4,812 as at 31 December 2017.

There are no diluting equity instruments.

## 7.2 Minority interests

Minority interests break down as follows:

(in millions of euros)	As at 31 Dec., 2018	As at 31 Dec., 2017
<b>Non-controlling interests</b>		
TAV Airports (Turquie)	857	849
Airport International Groupe (AIG)	87	-
Média Aéroport de Paris	7	6
Others	-	2
<b>TOTAL</b>	<b>951</b>	<b>857</b>

## 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;
- ◆ 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	2018	Litigation and claims	Other provisions	2017
<b>Provisions as at 1 January</b>	<b>14</b>	<b>75</b>	<b>89</b>	<b>15</b>	<b>54</b>	<b>69</b>
<b>Increases</b>	<b>5</b>	<b>18</b>	<b>23</b>	<b>10</b>	<b>55</b>	<b>65</b>
◇ Additions	5	6	11	3	13	16
◇ Provision for non-recurring items	-	1	1	-	20	20
◇ Increase due to changes in consolidation scope	-	7	7	-	22	22
◇ Other changes	-	4	4	7	-	7
<b>Decreases</b>	<b>(5)</b>	<b>(52)</b>	<b>(57)</b>	<b>(11)</b>	<b>(34)</b>	<b>(45)</b>
◇ Provisions used	(1)	(16)	(17)	-	(7)	(7)
◇ Provisions reversed	(4)	(36)	(40)	(11)	(7)	(18)
◇ Decrease due to changes in consolidation scope	-	-	-	-	(1)	(1)
◇ Other changes	-	-	-	-	(19)	(19)
<b>Provisions at closing</b>	<b>14</b>	<b>41</b>	<b>55</b>	<b>14</b>	<b>75</b>	<b>89</b>
Of which						
◇ Non-current portion	14	25	39	14	42	56
◇ Current portion	-	16	16	-	33	33

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 14.

## 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., 2018	As at 31 Dec., 2017
Concession rent payable > 1 year	594	621
Investment grants	48	49
Debt related to the minority put option	53	18
Deferred income	83	91
Other	2	1
<b>TOTAL</b>	<b>780</b>	<b>780</b>

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 (see Note 6.1.1). As at 31 December 2018, non-current concession rent payable amounts to €269 million for Milas Bodrum and

€259 million for Ege (vs. €280 million and €273 million respectively as at 31 December 2017).

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 mainly concerning Paris SA Airport and consists in:

- ◇ the rent to Air France of terminal T2G, *i.e.* €22 million as of 31 December

2018 (€25 million as of 31 December 2017);

- ◇ leasing construction of SCI Aéroville, *i.e.* €29 million as of 31 December 2018 (€29 million as of 31 December 2017).

## 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 18% of the Group revenue is derived from services sold to its main customer Air France.

Quantitative details regarding trade receivables and anteriority or current receivables are set out in Note 4.3.

According to IFRS 9, the Group determines a level of write-down on accounts receivable from clients that represents its estimate of expected credit losses. This write-down model relies on:

- ◇ the type of account receivable (homogeneous and material accounts receivable);
- ◇ the probability of client default; and
- ◇ the rate of irrecoverable loss in case of default.

#### INVESTMENTS AND DERIVATIVE INSTRUMENTS

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 counterpart 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 Note 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 70% in 2017 to 85% in 2018. The increase of the gearing ratio is driven by the increase of the net debt, mainly due to the impact of the Group new acquisitions.

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.

As of 31 December 2018, Employees currently hold 1.64% 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 2018 and 2017:

<i>(in millions of euros)</i>	Financial income	Financial expenses	Financial income 2018
Gross interest expenses on debt	-	(180)	(180)
Net income (expense) on derivatives	10	(22)	(12)
<b>Cost of gross debt</b>	<b>10</b>	<b>(202)</b>	<b>(192)</b>
Income from cash and cash equivalents	18	(3)	15
<b>Cost of net debt</b>	<b>28</b>	<b>(205)</b>	<b>(177)</b>
Income from non-consolidated investments	7	-	7
Net foreign exchange gains (losses)	49	(46)	3
Impairment and provisions	2	(9)	(7)
Other	14	(46)	(32)
<b>Other financial income and expenses</b>	<b>72</b>	<b>(101)</b>	<b>(29)</b>
<b>Net financial income</b>	<b>100</b>	<b>(306)</b>	<b>(206)</b>

<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)	-
<b>Cost of gross debt</b>	<b>15</b>	<b>(141)</b>	<b>(126)</b>
Income from cash and cash equivalents	9	(1)	8
<b>Cost of net debt</b>	<b>24</b>	<b>(142)</b>	<b>(118)</b>
Income from non-consolidated investments	2	-	2
Net foreign exchange gains (losses)	14	(40)	(26)
Impairment and provisions	-	(17)	(17)
Other	7	(27)	(20)
<b>Other financial income and expenses</b>	<b>23</b>	<b>(84)</b>	<b>(61)</b>
<b>Net financial income</b>	<b>47</b>	<b>(226)</b>	<b>(179)</b>





Gains and losses by category of financial instruments are as follows:

<i>(in millions of euros)</i>	2018	2017
<b>Income, expenses, profits and loss on debt at amortised cost</b>	<b>(193)</b>	<b>(127)</b>
Interest charges on debt at amortised cost	(180)	(126)
Net interest on derivative instruments held as cash-flow hedges	(13)	(6)
Net interest on derivative instruments held as fair value hedges	-	4
Change in value of fair value hedging instruments	-	(56)
Change in value of hedged items	-	57
<b>Gains and losses of financial instruments recognized at fair value in the income statement</b>	<b>15</b>	<b>7</b>
Gains on cash equivalents (fair value option)	15	7
Gains realized and unrealized on derivative instruments not classified as fair value hedges (trading derivatives)	-	-
<b>Profits and losses on assets held for sale</b>	<b>1</b>	<b>(9)</b>
Dividends received	1	-
Gains (losses) on disposal	-	-
Net allowances to provisions	-	(9)
<b>Other profits and losses on loans, credits and debts and amortised cost</b>	<b>(20)</b>	<b>(42)</b>
Net foreign exchange gains (losses)	3	(27)
Other net profit	(23)	(15)
<b>Financial allowances to provisions for employee benefit obligations</b>	<b>(9)</b>	<b>(8)</b>
Financial allowances to provisions for employee benefit obligations	(9)	(8)
<b>TOTAL NET GAINS (NET LOSSES) RECOGNIZED IN THE INCOME STATEMENT</b>	<b>(206)</b>	<b>(179)</b>

## 9.4 Financial debt

Bond issues and other interest-bearing liabilities are initially recognized at their fair value, which corresponds to the amount received, less attributable transaction costs, such as issue premiums and expenses. Subsequently, the debt is recognized according to the method of the amortised cost using the effective interest rate of the instrument.

The effective rate corresponds to the rate that enables to obtain the booked value of a bond at its initial date, when discounting future cash flows related to the instrument.

Similarly, trade payables are recognized at their fair value at the date of their initial recognition. They are subsequently recognized at the amortised cost.

Financial debts with maturities greater than one year are recognized as non-current debt. Financial debts due for repayment within less than one year are recognized as current debt.

### 9.4.1 Details of loans and financial debt

Loans and financial debt at the closing date may be analysed in this way:

<i>(in millions of euros)</i>	As at 31 Dec., 2018	Non-current portion	Current portion	As at 31 Dec., 2017	Non-current portion	Current portion
Bonds	4,678	4,379	299	4,179	4,179	-
Bank loans <sup>1</sup>	2,078	1,350	728	1,623	1,057	566
Other loans and assimilated debt	212	180	32	42	35	7
<b>Accrued interest</b>	<b>98</b>	<b>-</b>	<b>98</b>	<b>67</b>	<b>-</b>	<b>67</b>
Debt (excluding derivatives)	7,066	5,909	1,157	5,911	5,271	640
Derivative financial instruments (liabilities)	63	61	2	54	49	5
<b>TOTAL DEBT</b>	<b>7,129</b>	<b>5,970</b>	<b>1,159</b>	<b>5,965</b>	<b>5,320</b>	<b>645</b>

<sup>1</sup> The current portion of bank loan liabilities notably includes bank loans contracted by TAV Tunisia. Due to the no-respected funding convention, bank loans of TAV Tunisia are classified under the exigible debts for an amount of €342 million as at 31 December 2018.

Changes in loans and financial debt 2018 are as follows:

<i>(in millions of euros)</i>	As at 31 Dec., 2017	Increase / subscription <sup>1</sup>	Repayment <sup>1</sup>	Exchange differences	Change in fair value	Changes in consolidation scope	Other changes	As at 31 Dec., 2018
Bonds	4,179	495	-	-	8	-	(4)	4,678
Bank loans	1,623	501	(380)	10	-	317	7	2,078
Other loans and assimilated debt	42	68	(12)	11	-	149	(46)	212
Accrued interest	67	145	(120)	(7)	-	9	4	98
<b>Debt (excluding derivatives)</b>	<b>5,911</b>	<b>1,209</b>	<b>(512)</b>	<b>14</b>	<b>8</b>	<b>475</b>	<b>(39)</b>	<b>7,066</b>
Derivative financial instruments (liabilities)	54	-	-	(1)	(15)	26	(1)	63
<b>TOTAL DEBT</b>	<b>5,965</b>	<b>1,209</b>	<b>(512)</b>	<b>13</b>	<b>(7)</b>	<b>501</b>	<b>(40)</b>	<b>7,129</b>

<sup>1</sup> The increases/subscriptions and repayments excluding derivatives and excluding accrued interests are disclosed in the consolidated cash flow statement respectively under the lines "Proceeds from long-term debt" and "Repayment of long-term debt".

#### 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:

<i>(in millions of euros)</i>	As at 31 Dec., 2018	Non-current portion	Current portion	As at 31 Dec., 2017	Non-current portion	Current portion
<b>Debt</b>	<b>7,129</b>	<b>5,970</b>	<b>1,159</b>	<b>5,965</b>	<b>5,320</b>	<b>645</b>
Debt related to the minority put option	91	53	38	50	18	32
<b>Gross financial debt</b>	<b>7,220</b>	<b>6,023</b>	<b>1,197</b>	<b>6,015</b>	<b>5,338</b>	<b>677</b>
Derivative financial instruments (assets)	21	17	4	27	23	4
Receivables and current accounts from associates	117	72	45	90	51	39
Cash and cash equivalents	2,056	-	2,056	1,912	-	1,912
Restricted bank balances <sup>1</sup>	84	-	84	189	-	189
<b>Net financial debt</b>	<b>4,942</b>	<b>5,934</b>	<b>(992)</b>	<b>3,797</b>	<b>5,264</b>	<b>(1,467)</b>
<i>Gearing</i>	85%			70%		

<sup>1</sup> 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:

(in millions of euros)	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	Fair value as at
<b>Aéroports de Paris SA</b>							
<i>Of which Bonds:</i>							-
ADP 2012-2019	300	2.375%	2.476%	300	-	300	304
ADP 2010-2020	500	4.824%	3.95%	494	-	494	528
ADP 2011-2021	400	4.0%	4.064%	399	9	408	442
ADP 2011-2022	400	3.875%	3.985%	399	-	399	448
ADP 2015-2023	500	1.50%	1.524%	499	-	499	529
ADP 2012-2024	500	3.125%	3.252%	497	-	497	576
ADP 2014-2025	500	1.50%	1.609%	495	-	495	533
ADP 2013-2028	600	2.75%	2.846%	595	-	595	706
ADP 2017-2027	500	1.0%	1.036%	497	-	497	510
ADP 2018-2038	500	2.13%	2.207%	494	-	494	565
<i>Of which Bank loans:</i>							-
BEI 2004-2019	220	EUR 3M + margin	EUR 3M + margin	220	-	220	220
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
BEI 2018-2038	250	EUR 3M + margin	EUR 3M + margin	250	-	250	258
<i>Other</i>	37	-	-	37	-	37	39
<b>TAV Tunisia</b>							
Bank loans 2022-2028	342	EUR 6M + margin	EUR 6M + margin	342	-	342	384
<b>TAV Ege</b>							
Bank loan 2028	237	EUR 6M +5.50%	EUR 6M +5.50%	237	-	237	321
<b>TAV Milas Bodrum</b>							
Bank loan 2031	142	4.50%	4.50%	142	-	142	183
<b>TAV Esenboga</b>							
Bank loan 2022	103	EUR 6M +2.35%	EUR 6M +2.35%	103	-	103	111
<b>Havas</b>							
Bank loan 2021-2023	125	2.70% -4.40%	2.70% -4.40%	125	-	125	139
<b>TAV Macedonia</b>							
Bank loan 2025	49	EUR 6M +4.95%	EUR 6M +4.95%	49	-	49	59
<b>TAV Gazipasa</b>							
Bank Loans 2018-2020	39	3.9%-4.6%	3.9%-4.6%	39	-	39	40
<b>Other subsidiaries of TAV Airports</b>							
Bank loans	70	-	-	70	-	70	72
<b>AIG</b>							
IFC 2023-2028	296	LUSD6M + marge	LUSD6M + margin	210	-	210	238
IDB 2024-2028	118	LUSD6M + marge	LUSD6M + margin	85	-	85	95
Stanby loan 2025	9	6.75%	6.75%	9	-	9	11
<b>TOTAL</b>	<b>6,897</b>			<b>6,747</b>	<b>9</b>	<b>6,756</b>	<b>7,471</b>

The fair value (M-to-M) is a value calculated by discounting future cash flows excluding accrued interest. This value does not include the Aéroports de Paris SA'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 IFRS 9:

- ◆ 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, to ensure that an economic relationship exists between the hedged item and hedging instrument.

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., 2018	Breakdown by category of financial instrument						
		Fair value					Hedging derivatives	
		Fair value option <sup>1</sup>	Trading <sup>2</sup>	Equity instr. – FV through P&L <sup>3</sup>	Equity instr. – FV through OCI <sup>3</sup>	Amortised cost <sup>3</sup>	Fair value hedge	Cash flow hedge
Other non-current financial assets	403	-	17	61	-	325	-	-
Contract assets	9	-	-	-	-	9	-	-
Trade receivables	628	-	-	-	-	628	-	-
Other receivables <sup>4</sup>	163	-	-	-	-	163	-	-
Other current financial assets	201	-	4	-	-	197	-	-
Cash and cash equivalents	2,056	2,056	-	-	-	-	-	-
<b>TOTAL FINANCIAL ASSETS</b>	<b>3,460</b>	<b>2,056</b>	<b>21</b>	<b>61</b>	<b>-</b>	<b>1,322</b>	<b>-</b>	<b>-</b>
Non-current debt	5,970	-	10	-	-	5,910	-	50
Contract liabilities	6	-	-	-	-	6	-	-
Trade payables	590	-	-	-	-	590	-	-
Other debts <sup>4</sup>	1,184	-	-	-	-	1,184	-	-
Current debt	1,159	-	2	-	-	1,157	-	-
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>8,909</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>8,847</b>	<b>-</b>	<b>50</b>

<sup>1</sup> Identified as such at the outset.

<sup>2</sup> Classified as held for trading purposes.

<sup>3</sup> The Group applies IFRS 9 "Financial Instruments" since 1 January 2018. Impacts linked to the first application of IFRS 9 on the various categories of financial instruments are detailed in Note 1.3.

<sup>4</sup> Other receivables and other debts exclude all accounts which do not constitute, within the terms of IAS 32, contractual rights and obligations, such as tax and social security debts or receivables.

(in millions of euros)	As at 31 Dec., 2017	Breakdown by category of financial instrument						
		Fair value					Hedging derivatives	
		Fair value option <sup>1</sup>	Trading <sup>2</sup>	Available-for-sale financial assets	Loans and receivables	Debt at amortised cost	Fair value hedge	Cash flow hedge
Other non-current financial assets	376	-	23	29	324	-	-	-
Trade receivables	641	-	-	-	641	-	-	-
Other receivables <sup>3</sup>	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	1,370	-	-	-
<b>NON-CURRENT DEBT</b>	<b>5,320</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>5,271</b>	<b>-</b>	<b>36</b>
Trade payables	422	-	-	-	-	422	-	-
Other debts <sup>3</sup>	1,161	-	-	-	-	1,161	-	-
Current debt	645	-	5	-	-	640	-	-
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>7,548</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>7,494</b>	<b>-</b>	<b>36</b>

<sup>1</sup> Identified as such at the outset.

<sup>2</sup> Classified as held for trading purposes.

<sup>3</sup> Other receivables and other debts exclude all accounts which do not constitute, within the terms of IAS 32, contractual rights and obligations, such as tax and social security debts or receivables.

In the scope of the determination of fair value of derivatives, the credit valuation adjustment (CVA) was computed as of 31 December 2018 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 2018 and 2017 is as follows:

(in millions of euros)	As at 31 Dec., 2018		Level 1 Quoted prices in active markets	Level 2 Prices base on observable data	Level 3 Prices base on non-observable data
	Book value	Fair value			
<b>Assets</b>					
Equity instruments - fair value through P&L <sup>1</sup>	61	61	-	61	-
Loans and receivables excluding finance leases receivables	379	390	-	390	-
Trade receivables	628	628	-	628	-
Derivatives	21	21	-	21	-
Cash and cash equivalents	2,056	2,056	2,056	-	-
<b>Liabilities</b>					
Bonds	4,678	5,141	-	5,141	-
Bank loans	2,078	2,330	-	2,330	-
Other loans and assimilated debt	212	212	-	212	-
Accrued interest	98	98	-	98	-
Derivatives	63	63	-	63	-
Other non-current liabilities	780	804	-	804	-
Other debts and deferred income	793	793	-	793	-

<sup>1</sup> See Note 1.3.

(in millions of euros)	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
	Book value	Fair value			
<b>Assets</b>					
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	-	-
<b>Liabilities</b>					
Bonds	4,179	4,640	-	4,640	-
Bank loans	1,623	1,835	-	1,835	-
Other loans and assimilated debt	42	42	-	42	-
Accrued interest	67	67	-	67	-
Derivatives	54	54	-	54	-
Other non-current liabilities	780	743	-	743	-
Other debts and deferred income	724	724	-	724	-

### 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 Group enters into interest rates swaps where the critical terms match exactly with the terms of the hedged item. Therefore, the hedging relationship is qualified as 100% effective. If changes in the circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess the amount of ineffectiveness.

Hedge ineffectiveness may occur due to:

- ◆ the value adjustment on the interest rate swaps which is not matched by the hedged item; and
- ◆ differences in critical terms between the interest rate swaps and the loans hedged.

The breakdown of financial debt at fixed and variable rate is as follows:

<i>(in millions of euros)</i>	As at 31 Dec., 2018			As at 31 Dec., 2017		
	Before hedging	After hedging	%	Before hedging	After hedging	%
Fixed rate	5,892	6,545	93%	4,578	4,991	84%
Variable rate	1,174	521	7%	1,333	920	16%
<b>Debt (excluding derivatives)</b>	<b>7,066</b>	<b>7,066</b>	<b>100%</b>	<b>5,911</b>	<b>5,911</b>	<b>100%</b>

As of 31 December 2018 the Group holds rate and exchange based derivative financial instruments (swaps), with a fair value of €21 million, appearing on the assets under other current financial assets, and €62 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., 2018	Fair value
Derivatives classified as cash flow hedges	-	95	558	653	(50)
Derivatives not classified as hedges	-	400	-	400	8
<b>TOTAL</b>	<b>-</b>	<b>495</b>	<b>558</b>	<b>1,053</b>	<b>(42)</b>

The portfolio of non-hedging derivatives is made up exclusively of return swaps with a fixed margin. This part of the derivatives portfolio is therefore not very sensitive to change in interest rates. An immediate 1% decrease in interest rates on 31 December 2018 would not result in a material increase on the fair value of the derivatives.

The economic relationship between hedged items and hedging instruments qualified as hedge accounting according to IFRS 9 May be analysed as follows:

Type	Hedged item			Hedging instrument				Hedging ratio
	Maturity date	Rate	Nominal value	Type	Maturity date	Rate	Nominal value	
<b>TAV Airports</b>								
Bank loan	2028	EUR6M + margin	237	Interest rate swap	2026	8.00%	237	100%
Bank loan	2031	4.50%	71	Interest rate swap	2031	6.00%	64	90%
Bank loan	2031	4.50%	71	Interest rate swap	2031	6.00%	64	90%
Bank loan	2025	5.00%	49	Interest rate swap	2025	5.00%	49	100%
Bank loan	2022	LBUSD6M + margin	7	Interest rate swap	2022	5.00%	7	100%
Bank loan	2022	LBUSD6M + margin	4	Interest rate swap	2022	6.00%	4	100%
<b>AIG</b>								
Bank loan	2023-2025	LBUSD6M + margin	227	Interest rate swap	2023-2025	LBUSD6M + margin	228	100%

There was no ineffectiveness during 2018 in relation to the interest rate swaps.

#### EXCHANGE RISKS

Following the takeover of TAV Airports (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:

(in millions of euros)	As at 31 Dec., 2018	Euro	TRY	USD	AED	JOD	Other currencies
Other non-current financial assets	403	351	1	51	-	-	-
Contract assets	9	3	-	-	2	-	4
Trade receivables	628	502	24	35	9	31	27
Other receivables <sup>1</sup>	163	104	10	46	-	1	2
Other current financial assets	201	157	8	14	1	15	6
Cash and cash equivalents	2,056	1,880	17	64	3	68	24
<b>TOTAL FINANCIAL ASSETS</b>	<b>3,460</b>	<b>2,997</b>	<b>60</b>	<b>210</b>	<b>15</b>	<b>115</b>	<b>63</b>
Non-current debt	5,970	5,473	-	497	-	-	-
Contract liabilities	6	3	-	-	-	-	3
Trade payables	590	447	19	5	4	103	12
Other debts <sup>1</sup>	1,184	1,055	40	26	1	26	36
Current debt	1,159	1,121	21	15	-	-	2
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>8,909</b>	<b>8,099</b>	<b>80</b>	<b>543</b>	<b>5</b>	<b>129</b>	<b>53</b>

<sup>1</sup> Other receivables and other debts exclude all accounts which do not constitute, within the terms of IAS 32, contractual rights and obligations, such as tax and social security debts or receivables.

Other currencies 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 €10 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., 2018		As at 31 Dec., 2017	
	Closing rate	Average rate	Closing rate	Average rate
United Arab Emirates Dirham (AED)	0.23819	0.23078	0.22798	0.24151
Bahrain Dinar (BHD)	2.32072	2.24635	2.22025	2.35200
Swiss franc (CHF)	0.88558	0.86622	0.86014	0.86851
Chilean peso (CLP)	0.00126	0.00132	0.00136	0.00137
Chinese yuan (CNY)	0.12745	0.12816	0.12811	0.13120
Danish Krone (DKK)	0.13393	0.13417	0.13432	0.13435
Ethiopian Birr (ETB)	0.03087	0.03000	0.03034	0.03782
Georgian Lari (GEL)	0.32646	0.33478	0.32212	0.35308
Guinean Franc (GNF)	0.00010	0.00009	0.00009	0.00010
Hong Kong Dollar (HKD)	0.11173	0.10816	0.10768	0.11387
Croatian Kuna (HRK)	0.13495	0.13481	0.13388	0.13396
Jordanian Dinar (JOD)	1.23213	1.19490	1.17925	1.25082
Kenyan shilling (KES)	0.00859	0.00837	0.00812	0.00858
Libyan Dinar (LYD)	0.62637	0.62235	0.61595	0.63232
Moroccan Dirham (MAD)	0.09173	0.09029	0.08952	0.09130
Ariary (MGA)	0.00025	0.00025	0.00026	0.00028
Macedonian denar (MKD)	0.01626	0.01624	0.01626	0.01624
Mauritian Rupee (MUR)	0.02538	0.02491	0.02483	0.02569
Nepalese Rupee (NPR)	0.00777	0.00774	0.00816	0.00850
Omani Rial (OMR)	2.27221	2.20180	2.17486	2.30385
Qatari Rial (QAR)	0.23930	0.23180	0.22815	0.24141
Russian Ruble (RUB)	0.01259	0.01353	0.01456	0.01522
Rwandan Franc (RWF)	0.00098	0.00097	0.00100	0.00101
Saudi Riyal (SAR)	0.23317	0.22600	0.22326	0.23652
United States Dollar (USD)	0.87489	0.84765	0.83731	0.88704
Turkish Lira (TRY)	0.16530	0.17973	0.22157	0.24350
Taiwanese Dollar (TWD)	0.02854	0.02811	0.02813	0.02692
Tanzanian shilling (TZS)	0.00038	0.00040	0.00038	0.00040

## 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 Note 13.3.

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:

<i>(in millions of euros)</i>	Balance sheet value	Total contractual payments			
	As at 31 Dec., 2018	As at 31 Dec., 2018	0 -1 year	1 -5 years	Over 5 years
Bonds	4,678	4,700	300	1,800	2,600
Bank loans	2,078	2,273	404	1,126	743
Security deposits received	20	20	3	-	17
Other loans and assimilated debt	212	197	7	56	134
Interest on loans	98	1,103	179	523	401
<b>Debt (excluding derivatives)</b>	<b>7,066</b>	<b>8,273</b>	<b>890</b>	<b>3,505</b>	<b>3,878</b>
Trade payables	590	590	590	-	-
Contract liabilities	6	6	6	-	-
Other debts <sup>1</sup>	1,184	1,184	450	390	344
<b>Debt at amortised cost</b>	<b>8,846</b>	<b>10,053</b>	<b>1,936</b>	<b>3,895</b>	<b>4,222</b>
Outgoings	-	(124)	(26)	(78)	(20)
Receipts	-	73	13	43	17
<b>Hedging swaps</b>	<b>50</b>	<b>(51)</b>	<b>(13)</b>	<b>(35)</b>	<b>(3)</b>
Outgoings	-	(18)	(6)	(12)	-
Receipts	-	27	9	18	-
<b>Trading swaps</b>	<b>(11)</b>	<b>9</b>	<b>3</b>	<b>6</b>	<b>-</b>
Outgoings	-	-	-	-	-
Receipts	-	-	-	-	-
<b>Exchange rate hedging</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>8,886</b>	<b>10,011</b>	<b>1,926</b>	<b>3,866</b>	<b>4,219</b>

<sup>1</sup> Other debts exclude all accounts which do not constitute, within the terms of IAS 32, contractual obligations, such as tax and social security debts.

### 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, TAV Macedonia, TAV Milas Bodrum and TAV Ege also include early repayment clauses in case of non-compliance with financial

ratios. These contracts account for 12.92% of the total bank loans of the Group as at 31 December 2018. For these contracts, ratios were all met at 31 December 2018.



The maturity schedule of loans and receivables is as follows:

<i>(in millions of euros)</i>	<b>As at 31 Dec., 2018</b>	<b>0 -1 year</b>	<b>1 -5 years</b>	<b>Over 5 years</b>
Receivables and current accounts from associates	117	45	9	63
Other receivables and accrued interest related to investments	35	35	-	-
Loans and security deposits	12	4	-	2
Receivables, as lessor, in respect of finance leases	143	3	-	115
Other financial assets	212	106	-	3
Trade receivables	628	628	-	-
Other receivables <sup>1</sup>	163	163	-	-
<b>Loans and receivables</b>	<b>1,315</b>	<b>989</b>	<b>143</b>	<b>183</b>

<sup>1</sup> Other receivables exclude all accounts which do not constitute, within the terms of IAS 32, contractual rights, such as tax and social security receivables.

## CREDIT 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>	<b>As at 31 Dec., 2018</b>	<b>As at 31 Dec., 2017</b>
Equity instruments	61	29
Financial assets recognized at fair value through the income statement	21	27
Loans and receivables less than one year	997	1,045
Loans and receivables more than one year	325	325
Cash and cash equivalents	2,056	1,912
<b>TOTAL</b>	<b>3,460</b>	<b>3,338</b>

Maximum exposure to credit risk concerning receivables and loans on the closing date, broken down by customers, is as follows:

<i>(in millions of euros)</i>	<b>As at 31 Dec., 2018</b>	<b>As at 31 Dec., 2017</b>
Air France	109	104
Easy Jet	10	7
Federal Express Corporation	7	9
Turkish Airlines	30	29
Other airlines	61	109
<b>Subtotal airlines</b>	<b>217</b>	<b>258</b>
Direction Générale de l'Aviation Civile	17	62
Société de Distribution Aéroportuaire	34	33
ATU	7	7
Other trade receivables	353	281
Other loans and receivables less than one year	370	404
<b>TOTAL LOANS AND RECEIVABLES LESS THAN ONE YEAR</b>	<b>997</b>	<b>1,045</b>

The anteriority of current receivables is as follows:

<i>(in millions of euros)</i>	As at 31 Dec., 2018	
	Gross value	Net value
Outstanding receivables	890	889
Due receivables:		
from 1 to 30 days	45	42
from 31 to 90 days	36	31
from 91 to 180 days	15	12
from 181 to 360 days	6	4
more than 360 days	68	19
<b>CURRENT LOANS AND RECEIVABLES (ACCORDING TO THE SCHEDULE - SEE § LIQUIDITY RISKS)W</b>	<b>1,060</b>	<b>997</b>

The development of trade receivables is detailed in Note 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 2018:

<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	21	-	21	-	-	21
Derivatives: currency swap	-	-	-	-	-	-
<b>TOTAL FINANCIAL ASSETS - DERIVATIVES</b>	<b>21</b>	<b>-</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>21</b>
Derivatives: interest rate swap	(63)	-	(63)	-	-	(63)
Derivatives: currency swap	1	-	1	-	-	1
<b>TOTAL FINANCIAL LIABILITIES - DERIVATIVES</b>	<b>(62)</b>	<b>-</b>	<b>(62)</b>	<b>-</b>	<b>-</b>	<b>(62)</b>



## 9.6 Other financial assets

The amounts appearing on the balance sheet as at 31 December 2018 and 31 December 2017 respectively are broken down as follows:

<i>(in millions of euros)</i>	<b>As at 31 Dec., 2018</b>	<b>Non-current portion</b>	<b>Current portion</b>
<b>Equity instruments – fair value through P&amp;L<sup>1</sup></b>	<b>61</b>	<b>61</b>	<b>-</b>
<b>Loans and receivables excluding finance leases receivables</b>	<b>379</b>	<b>185</b>	<b>194</b>
◊ Receivables & current account from associates	117	72	45
◊ Other receivables and accrued interest related to investments	35	-	35
◊ Guaranteed passenger fee receivable <sup>1</sup>	102	81	21
◊ Other financial assets	125	32	93
<b>Receivables, as lessor, in respect of finance leases</b>	<b>143</b>	<b>140</b>	<b>3</b>
<b>Derivative financial instruments</b>	<b>21</b>	<b>17</b>	<b>4</b>
◊ Hedging swaps	-	-	-
◊ Trading swaps	21	17	4
<b>TOTAL</b>	<b>604</b>	<b>403</b>	<b>201</b>

<sup>1</sup> See Note 1.3.

<sup>2</sup> See Note 6.1.1.

<i>(in millions of euros)</i>	<b>As at 31 Dec., 2017</b>	<b>Non-current portion</b>	<b>Current portion</b>
<b>Available-for-sale securities</b>	<b>29</b>	<b>29</b>	<b>-</b>
<b>Loans and receivables excluding finance leases receivables</b>	<b>420</b>	<b>180</b>	<b>240</b>
◊ Receivables & current account from associates	90	51	39
◊ Other receivables and accrued interest related to investments	13	5	8
◊ Guaranteed passenger fee receivable <sup>1</sup>	97	97	-
◊ Other financial assets	220	27	193
<b>Receivables, as lessor, in respect of finance leases</b>	<b>148</b>	<b>144</b>	<b>4</b>
<b>Derivative financial instruments</b>	<b>27</b>	<b>23</b>	<b>4</b>
◊ Hedging swaps	-	-	-
◊ Trading swaps	27	23	4
<b>TOTAL</b>	<b>624</b>	<b>376</b>	<b>248</b>

The receivable recorded on Fedex, which amounts to €125 million, is presented under the heading “Receivables, as lessor, in respect of finance leases”.

## 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.

As a reminder, following the disposal of 80% of the subsidiary Hub Safe on 29 September 2017, the Group recognized a gain of €27 million in 2017, net of selling costs before corporate income tax. The investment is since then accounted under 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, ADP Immobilier Tertiaire, and Hôtels Aéroportuaires.

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 2018 amounts to 34.43%.

### 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>	<b>2018</b>	<b>2017</b>
Current tax expense	(351)	(267)
Deferred tax expense	16	7
<b>INCOME TAX EXPENSE</b>	<b>(335)</b>	<b>(260)</b>

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>	<b>2018</b>	<b>2017</b>
Net income after tax	695	614
Share of profit or loss from associates and joint ventures <sup>1</sup>	(81)	(79)
Income tax expense	335	260
<b>Income before tax and profit/loss of associates</b>	<b>949</b>	<b>795</b>
<i>Theoretical tax rate applicable in France</i>	<i>34.43%</i>	<i>34.43%</i>
<b>Theoretical tax expense</b>	<b>(327)</b>	<b>(274)</b>
Impact on theoretical tax of:		
◊ Different rate on foreign taxable income and payment at source (i)	21	12
◊ Extraordinary contribution of 15% on the tax rate	-	(32)
◊ Income receivable related to the cancellation of the 3% dividend contribution	-	24
◊ Previously unrecognized tax loss carryforwards used in the period (i)	(7)	-
◊ Additional tax on dividends	-	(6)
◊ Tax losses incurred in the period for which no deferred tax asset was recognized (i)	(19)	(1)
◊ Evolution of tax rates	6	26
◊ Changes in unrecognized temporary differences	1	1
◊ Non-deductible expenses and non-taxable revenue	(19)	(16)
◊ Tax credits	4	5
◊ Adjustments for prior periods	5	1
<b>EFFECTIVE TAX EXPENSE</b>	<b>(335)</b>	<b>(260)</b>
<i>Effective tax rate</i>	<i>35.31%</i>	<i>32.65%</i>

<sup>1</sup> The variation in the effect of different rates on foreign taxable income, in previously unrecognized tax loss carryforwards used in the period and in tax losses incurred in the period for which no deferred tax asset was recognized is mainly due to TAV Airports.

### 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>	<b>As at 31 Dec., 2018</b>	<b>As at 31 Dec., 2017</b>
<b>In respect of deductible temporary differences</b>		
◊ Employee benefit obligation	126	123
◊ Amortisation of fees for the study and overseeing of works	9	12
◊ Provisions and accrued liabilities	19	23
◊ Other	39	43
<b>For taxable temporary differences</b>		
◊ Accelerated tax depreciation and other regulated provisions	(317)	(319)
◊ Finance leases	(5)	(6)
◊ Revaluation reserves	(8)	(8)
◊ Purchase Price Allocation	(187)	(175)
◊ Other	(58)	(61)
<b>NET DEFERRED TAX ASSETS (LIABILITIES)</b>	<b>(382)</b>	<b>(368)</b>

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## 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
<b>As at Jan 1, 2018</b>	<b>1</b>	<b>369</b>	<b>(368)</b>
Amount recognized directly through equity on employee benefit obligations	-	(4)	4
Amounts recognized for the period	(1)	(24)	23
Translation adjustments	-	2	(2)
Changes in consolidation scope	-	39	(39)
<b>As at 31 Dec., 2018</b>	<b>-</b>	<b>382</b>	<b>(382)</b>

## 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., 2018	As at 31 Dec., 2017
<b>Current tax assets</b>		
◇ Aéroports de Paris SA and tax-consolidated companies	-	55
◇ Other consolidated entities	6	4
<b>TOTAL</b>	<b>6</b>	<b>59</b>
<b>Current tax liabilities</b>		
◇ Aéroports de Paris SA and tax-consolidated companies	21	1
◇ Other consolidated entities	16	24
<b>TOTAL</b>	<b>37</b>	<b>25</b>

The Group has no knowledge of any contingent tax assets or liabilities as of 31 December 2018.

## 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., 2018	As at 31 Dec., 2017
Marketable securities	1,288	1,404
Cash <sup>1</sup>	768	508
Bank overdrafts <sup>2</sup>	(1)	(2)
<b>CASH AND CASH EQUIVALENTS</b>	<b>2,055</b>	<b>1,910</b>

<sup>1</sup> Including €22 million of cash dedicated to aid to local residents funding collected through the tax on airborne noise nuisances (TNSA).

<sup>2</sup> Included in Current liabilities under debt.





As part of its cash management, Groupe ADP has mainly invested in euro-denominated UCITS.

Cash and short-term cash equivalents for the Group include the bank accounts of certain subsidiaries for which repatriation conditions are complex in the short term for mainly regulatory reasons (less than €1 million at 31 December 2018).

## 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>	2018	2017
Depreciation, amortisation and impairment losses (excluding current assets)	742	616
Profit/loss of associates from operating activities	(80)	(78)
Net gains on disposals	(3)	(89)
Other	(15)	11
<b>INCOME AND EXPENSE WITH NO IMPACT ON NET CASH</b>	<b>644</b>	<b>460</b>

As a reminder, in 2017, the net gains on disposals mainly relate to the profit linked to the Fedex for €63 million.

#### // CHANGE IN WORKING CAPITAL

<i>(in millions of euros)</i>	2018	2017
Inventories	-	3
Trade and other receivables	43	160
Trade and other payables	(46)	(50)
Change in working capital	(3)	113

### 12.2.2 Cash flows from investing activities

#### // ACQUISITION OF SUBSIDIARIES AND ASSOCIATES (NET OF ACQUIRED CASH)

<i>(in millions of euros)</i>	2018	2017
Acquisitions of subsidiaries and investments (net of cash acquired)	(630)	20
Proceeds from sale of subsidiaries (net of cash sold) and investments	1	21

In 2018, the flow related to the financial investments, the acquisitions of subsidiaries and equity interests is mainly due to:

- ◇ the additional acquisition of 41.5% of AIG shares (see Note 2.1) for an amount of €157 million net of cash acquired;
- ◇ the acquisition of 49% by TAV Airports of its subsidiary TAV Antalya (see Note 2.2) for an amount of €360 million;
- ◇ the acquisition of 100% of shares of Sysdream by Hub One for an amount of €6 million;

- ◇ the additional financial investments on Ravinala Airports and Nuevo Pudahel for the equivalent of €49 million, on TGS (stake of HAVAS) for the equivalent of €17 million and on SAS Cœur d'Orly Investissement for €14 million).

In 2017, the flow related to acquisition of subsidiaries and investments was mainly due to the additional acquisition of shares in TAV Airports, the additional acquisition of BTA shares, additional acquisitions by ADP International and investments in investment funds by the parent company. In 2017, the flow related to proceeds from sale of subsidiaries was mainly due to the disposal of 80% of the shares of Hub Safe and disposal of the shares in TAV Construction.

## 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	2018	2017
Purchase of intangible assets	6	(46)	(32)
Purchase of property, plant and equipment	6	(1,032)	(847)
<b>PURCHASE OF PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS</b>		<b>(1,078)</b>	<b>(879)</b>

Details of this expenditure are as follows:

<i>(in millions of euros)</i>	2018	2017
Renovation and quality	(285)	(232)
Increases in capacity	(293)	(256)
Cost of studies and supervision of works (FEST)	(103)	(95)
Real estate development	(143)	(126)
Restructuring	(139)	(81)
Security	(84)	(55)
Other	(31)	(34)
<b>TOTAL</b>	<b>(1,078)</b>	<b>(879)</b>

Major projects carried out by Aéroports de Paris SA during the period include:

- ◆ investments at Paris-Charles de Gaulle Airport mainly related to:
  - ◆ a system of 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 the terminal 2D,
  - ◆ preparatory work for the construction of the CDG Express,
  - ◆ the junction of the international satellites of terminal 1,
  - ◆ the completion of the building of the Baikal office building;
- ◆ investments at Paris-Orly Airport mainly related to:
  - ◆ continued building work on the junction between South and West terminals,
  - ◆ the East baggage handling system compliance in Orly South terminal,
  - ◆ the extension of hall 1 of the West terminal,
  - ◆ preparatory work for the refurbishment of runway 3,
  - ◆ waterproofing work and strengthening of bridge n°2 under runway n° 3;
- ◆ investments at the Paris-Le Bourget airport, mainly related to the construction of the AFMAE apprentice training center;
- ◆ Aéroports de Paris SA also made significant investments in its support functions and projects common to both platforms in 2018, mainly in IT;
- ◆ on Queen Alia Airport, the investments are mainly ported on the extension of the luggage sorter.

## // DIVIDENDS RECEIVED

<i>(in millions of euros)</i>	2018	2017
Associates and joint ventures of TAV Airports	23	24
Schiphol Group (Netherlands)	12	12
Société de Distribution Aéroportuaire	-	2
RELAY@ADP	3	2
SCI Roissy Sogaris	-	2
Other	1	-
<b>TOTAL</b>	<b>39</b>	<b>42</b>



## 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	
	2018	2017	2018	2017	2018	2017	2018	2017
Revenue	620	477	1,326	1,284	80	-	2,026	1,761
External expenses (inc. purchases of fixed assets)	76	22	40	132	93	6	209	160
Financial assets	15	90	-	-	5	2	20	92
Other assets	66	65	154	181	77	2	297	248
Financial liabilities	-	-	-	-	190	-	190	-
Other liabilities	24	34	73	101	106	-	203	135

### 13.1 Relations with associated or jointly controlled companies

#### CDG express

The company "CDG Express Études" was dissolved on 30 December 2018 in accordance with its statutes. This company, created at the end of 2013, and is equally held by Paris SA Airports, SNCF Réseau and the State, in charge to conduct the legal, technical and financial studies of the CDG Express rail link project between Paris and CDG airport. These studies, €15.6 million for ceding to the infrastructure management company "GI CDG Express".

The company "GI CDG Express", created on 10 October 2018, in charge of the project fund as well as the design, the construction, the maintenance and the maintenance of the connection under the works concession contract with the State which should be signed early 2019. GI CDG Express is equally held (33%) and jointly controlled by Paris SA Airports, SNCF Réseau and the Caisse des Dépôts and Consignation.

Pending the signature of the main contracts of the CDG Express project, and in particular the concession contract between the State and the GI CDG Express, and the construction design contract between Paris Airports and the GI CDG express, the State, in a letter of July 2018, invites Paris Airports and SNCF Réseau to pursue their studies and works necessary

for the commissioning of the project at the end of 2023 and undertakes to reimburse the expenses incurred by its two companies within the limit of €313 million, in which the eventual contract rupture fees and the repair fees can be added.

In this context, Paris Airports recognized in the income statement a receivable income for the studies and the works realised in 2018 within an amount of €38 million.

#### 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 French 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 2018. 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 2018, revenues linked to airport security and safety amounted to €499 million (€487 million in 2017). At 31 December 2018, the receivable from the DGAC amounts to €17 million (€62 million at 31 December 2017);

- ◆ 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 company of 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 €6.1 million in 2018, compared with €6.8 million in 2017. This change was mainly due to the decrease in directors' fees, the turnover in the members of the Executive Committee and lump sum payments to members who left in 2018. 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. The details of the remunerations are as follows:

<i>(in thousand of euros)</i>	<b>2018</b>	<b>2017</b>
<b>Rémunération des dirigeants</b>	<b>6,116</b>	<b>6,840</b>
Salaries and wages	4,142	4,520
Social security expenses	1,601	1,926
<b>Total short term remuneration</b>	<b>5,743</b>	<b>6,446</b>
Post employment benefit	187	181
Directors' fees	186	213

### 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

### 14.1 Minimum lease payments

Futhermore, the future minimum lease payments receivable for Aéroports de Paris SA as a lessor on existing contracts as at 31 December 2018 are as follows:

<i>(in millions of euros)</i>	<b>Total As at 31 Dec., 2018</b>	<b>0 -1 year</b>	<b>1 -5 years</b>	<b>Over 5 years</b>
Minimum lease payments receivable	3,359	330	1,026	2,002

The future minimum lease payments payable for Aéroports de Paris SA as a lessor on existing contracts as at 31 December 2018 are as follows:

<i>(in millions of euros)</i>	<b>Total As at 31 Dec., 2018</b>	<b>0 -1 year</b>	<b>1 -5 years</b>	<b>Over 5 years</b>
Minimum lease payments payable	74	7	28	39

### 14.2 Backlog

<i>(in millions of euros)</i>	<b>Total As at 31 Dec., 2018</b>	<b>0 -1 year</b>	<b>1 -5 years</b>	<b>Over 5 years</b>
Revenue expected on contracts	23	15	8	-

For the presentation of its backlog, the Group has chosen to apply the simplification proposed by IFRS 15 to exclude contracts with a duration inferior or equal to 12 months.

Thus, the revenue expected on contracts presented in the Group backlog amounts to €23 million as of 31 December 2018 and are a result of contracts which fulfill the following characteristics:

- ◇ signed at the closing date with third parties;
- ◇ whose execution began on the closing date, or, if the contract is not fully performed, where the customer has a right to cancel this contract without penalty payment;

- ◇ a duration of more than 1 year.

The backlog corresponds to future revenue linked to the services remaining to be performed at the reporting date as part of the contracts described above. It includes the income which correspond to only fixed orders from customers.

To this extent, are excluded from the backlog the airport fees and ancillary fees considering that these services do not correspond to fixed orders (they are only contractualized to the use of the services by the customer). Additionally, the revenue from airport safety and security services are also excluded, considering that they are validated each year by the DGAC and depend on the costs incurred.

### 14.3 Commitments granted and received

Off-balance sheet commitments and contingent assets and liabilities are presented below:

<i>(in millions of euros)</i>	<b>As at 31 Dec., 2018</b>	<b>As at 31 Dec., 2017</b>
Guarantees	495	473
Guarantees on first demand	90	88
Irrevocable commitments to acquire assets	914	845
Other	71	135
<b>COMMITMENTS GRANTED</b>	<b>1,570</b>	<b>1,541</b>
Guarantees	113	133
Guarantees on first demand	158	174
Other	3	11
<b>COMMITMENTS RECEIVED</b>	<b>274</b>	<b>318</b>

## 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:

- ◆ the renovation works on the runway 3 in Paris-Orly;
- ◆ the construction of the junction of international satellites of terminal 1 at Paris-Charles de Gaulle;
- ◆ the purchase of standard 3 hold luggage inspection equipments related to European regulation;
- ◆ the construction of the junction between the South and West terminals of Paris-Orly.

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 20 April, 2005 provides that in the event of a partial or total shutdown of air traffic at one of the airports owned by Aéroports de Paris SA, 70% of the capital gain due to the difference between the market value of the assets and the book value thereof must be paid to the French government. This provision relates in particular to the General Aviation Aerodromes.

## ADP Ingénierie 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 €493 million as at 31 December 2018 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;
- ◆ TAV Ege and TAV Milas Bodrum are both obliged to give a letter of guarantee at an amount equivalent to €37 and €43 million each to DHMI.

### Main guarantees given to GACA (General Authority of Civil Aviation) in Saudi Arabia:

The Group is obliged as at 31 December 2018 to give a letter of guarantee at an amount equivalent of \$13 million (i.e. €11 million) to GACA according to the BTO agreement signed with GACA in Saudi Arabia, as well as a letter of guarantee equivalent of \$194 million (i.e. €162 million) to National Commercial Bank which is included in letters of guarantee given to third parties.

### Pledges

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 €238 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 Esenboğa, TAV Ege, TAV Milas Bodrum, TAV Holding and TAV Macedonia have pledges over receivables for an aggregate amount of €36 million. In case of event or default, the banks have the right to take control of the receivables;
- ◆ pledge over bank accounts: TAV Esenboğa, TAV Ege, TAV Milas Bodrum, and TAV Holding have pledges over bank accounts for an aggregate amount of €56 million.

## 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 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 Investissements

The hearing before the Administrative Court of Appeal of Paris took place on 1 April. The public rapporteur concluded that the Court should reject JSC's claim and that it should order JSC to pay €1,500 to ADP in respect of article L. 761-1 of the Administrative Justice Code. The ruling will not be rendered before the end of April 2019.

## NOTE 16 SUBSEQUENT EVENTS

### Approval of 2019 airport fees tariffs

On 11 January 2019, the Independent supervisory authority for airport fees (ASI), through its judgment n°1810-D1, notified Aéroports de Paris with a refusal concerning airport fees tariffs certification, applicable as from 1 April 2019, on the airfield of Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget as well as their modulation, except for the fees related to the assistance provided to disabled persons and persons with reduced mobility. The ASI indeed believes that the aggregate revenue linked to airport public services on the aerodromes, after consideration

of the proposed tariff increase, *i.e.* +2.94% as at 1 April 2019, exceeds the cost of the services rendered.

In accordance with the Article R. 224-3-4 of the Civil aviation code, the Group had one month as from the notification of the refusal, to notify ASI the revised tariffs for airport fees. This new proposal, based on a +1.0% increase on the aerodromes of Paris-Charles de Gaulle and Paris-Orly, and a +3.52% increase on Paris-Le Bourget aerodrome, was notified to ASI on 22 January 2019, and approved by ASI on 12 February.

## NOTE 17 AUDITOR'S FEES

The amounts of auditors' fees recorded are as follows:

<i>(in thousands of euros)</i>	As at 31 Dec., 2018		As at 31 Dec., 2017	
	Deloitte	EY	Deloitte	EY
◇ Parent company	450	527	380	478
◇ Fully consolidated subsidiaries	333	498	286	335
<b>Audit, certification, inspection of individual and consolidated financial statements:</b>	<b>783</b>	<b>1,025</b>	<b>666</b>	<b>813</b>
◇ Parent company	45	7	36	15
◇ Fully consolidated subsidiaries	25	22	15	58
<b>Services other than certification:</b>	<b>70</b>	<b>29</b>	<b>51</b>	<b>73</b>
<b>TOTAL</b>	<b>853</b>	<b>1,054</b>	<b>717</b>	<b>886</b>

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 SCOPE OF CONSOLIDATION AND NON-CONSOLIDATED COMPANIES**

The main changes in consolidation scope and in corporate name of Group entities for the year 2018 are described in Note 3.2.1).

As at 31 December 2018, 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 Surssock 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 3rd zone Chaoyang District Beijing	China	100%	100%
ADPM Mauritius	C/o Legis Corporate Secretarial Services Ltd 3 rd Floor, Jamalacs Building, Vieux Conseil Street, PORT-LOUIS	Mauritius	100%	100%
Merchant Aviation	382 Springfield Avenue SUMMIT, NJ-07901	USA	100%	100%
ADP International	1 rue de France - 93290 Tremblay-en-France	France	100%	100%
ADP International Americas LLC	80 SW 8th St Suite 2900 Miami, Florida 33130, USA	France	100%	100%
Jordan Airport Management	Ali Sharif Zu'bi Law Office PO Box 35267 AMMAN 11180	Jordan	100%	100%
Airport International Group P.S.C ("AIG")	P.O. Box 39052 Amman 11104 Jordan	Jordan	51%	100%
Airport International Group For Training And Development	P.O. Box 39052 Amman 11104 Jordan	Jordan	51%	100%
AMS - Airport Management Services (OSC)	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatia	Croatia	78%	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, 3ème 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%	76%
Batumi Airport LLC	Airport Highway #220, Batumi /Georgia, 6010		-	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/İZMİR	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	46%	100%
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%
SIA Cakes and Bakes Latvia ("BTA Latvia")	Lidosta "Riga" 10/1, Marupes Novads, LV-1053 Latvia	Latvia	46%	100%
BTA Frances SAS. ("BTA France")	Orly Sud Terminal S1 Etage 3 Bureau 3103-3104 94390 Orly Aéro gare		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%
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:PO51576403E	Kenya	46%	100%
TAV USA Operation Services Co. ("TAV İşletme America")	22648 Glenn Drive, Sterling VA 20164, Unit 101	United States	46%	100%

Entity	Address	Country	% stake	% control
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. ("TAV IT Saudi")	Prince Mohammed Bin Abdulaziz Int. Airport P.O Saudi Arabia Box 4878, Al-Madinah Al Munawarah 42342 KSA		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%
UTB Lokum Şeker Gıda San. ve Tic. A.Ş. ("BTU Lokum")	Osmangazi Mah. 2647 SK. No:5 Esenyurt, İstanbul, TURKEY	Turkey	39%	85%
UTB Gıda Satış ve Paz. A.Ş. ("BTU Gıda")	Osmangazi Mah. 2647 SK. No:5 Esenyurt, İstanbul, TURKEY	Turkey	32%	70%
MZLZ-Ugostiteljstvo D.o.o ("BTA MZLZ")	Velika Gorica, Rudolfa Fizira 1 Zagreb / Hrvatska	Turkey	46%	100%
<b>Other activities:</b>				
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%
Sysdream	14 PLACE MARIE JEANNE BASSOT 92593 LEVALLOIS PERRET CEDEX		100%	100%
ADP Invest	1 rue de France - 93290 Tremblay-en-France	France	100%	100%
ADP Invest <sup>1</sup>	1 rue de France - 93290 Tremblay-en-France	France	100%	100%
<b>Retail and services:</b>				
Média Aéroports de Paris	17 rue Soyer 92200 Neuilly sur Seine	France	50%	50%
<b>Real estate:</b>				
Cœur d'Orly Investissement	Orlytech - Bat. 532 5 allée Hélène Boucher 91550 PARAY-VIELLE-POSTE	France	100%	100%
Cœur d'Orly Commerces Investissement	Orlytech - Bat. 532 5 allée Hélène Boucher 91550 PARAY-VIELLE-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 <sup>1</sup>	1 rue de France - 93290 Tremblay-en-France	France	100% <sup>1</sup>	100%
ADP Immobilier Industriel	Orlytech - Bat. 532 5 allée Hélène Boucher 91550 PARAY-VIELLE-POSTE	France	100%	100%
Aéroports de Paris Investissement Nederland Bv	Locatellikade 1 1076AZ AMSTERDAM	Netherlands	100%	100%
SCI ROMEO	1 rue de France - 93290 Tremblay-en-France	France	100%	100%
Hôtels Aéroportuares <sup>2</sup>	1 rue de France - 93290 Tremblay-en-France	France	100%	100%

<sup>1</sup> The Group holds 60% of the capital of Ville Aéroportuaire Immobilier 1 and has a put and call option agreement over the remaining 40%. The analysis of this agreement leads to retain 100% ownership interest.

<sup>2</sup> Previously named SAS HOTEL RO3 until June 2018.



Entity	Address	Country	% stake	% control
<b>Aviation:</b>				
Fondation d'entreprise Aéroports de Paris	1 rue de France - 93290 Tremblay-en-France	France	100%	100%
<b>CO-ENTREPRISE (Integrated up to Group's share of balance sheet and profit &amp; loss)</b>				
<b>Other activities:</b>				
CDG Express Études	1 rue de France - 93290 Tremblay-en-France	France	33%	33%
<b>ASSOCIATES (OPERATING ENTITIES)</b>				
<b>International and airport developments:</b>				
Schiphol Group	Evert van de Beekstraat 202 1118CP LUCHTHAVEN SCHIPHOL	Netherlands	8%	8%
MZLZ Retail Ltd	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatia	Croatia	50%	50%
Sociedad Concesionaria Nuevo Pudahuel SA (SCNP)	Aeropuerto Internacional Arturo Merino Benitez 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 ("MZLZ Operations")	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatia	Croatia	28%	36%
Medunarodna Zračna Luka Zagreb ("MZLZ")	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatia	Croatia	28%	36%
Consortio 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 Tunisia")	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%	15%
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%
ATU Uluslararası Mağaza Yiyecek ve içecek İşletmeciliği A.Ş. ("ATU Uluslararası Mağazacılık")	Büyükdere Cad.Bengün Han No:107/8 Gayrettepe - İstanbul	Turkey	22%	48%
ATU Holdings, Inc. ("ATU Holdings")	1704 Rankin Rd,SUITE 110, HOUSTON,USA	United States	17%	38%
TAV Gözen Havaçılık 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%

Entity	Address	Country	% stake	% control
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 Saudi Arabia Box 21291, AlMadinah Al Munawarah 41475	Saudi Arabia	15%	33%
Tibah Airports Operation Limited ("Tibah Operation")	Prince Mohammed Bin Abdulaziz Int. Airport P.O Saudi Arabia Box 21291, AlMadinah Al Munawarah 41475	Saudi Arabia	23%	51%
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%
Medinah Airport Hotel Company ("Medinah Hotel")	Prince Mohammed Bin Abdul Aziz International Airport, Post Office Box: 52681 Al Madinah Al Munawarah, 11573, Kingdom of Saudi Arabia.	Saudi Arabia	15%	33%
Airport Terminal Operations LTD ("ATOL")	SSR INTERNATIONAL AIRPORT PLAINE MAGNIEN	Jordan	10%	10%
Fraport IC İçtaş Antalya Havalimanı Terminal Yatırım ve İşletmeciliği A.Ş. ("TAV Antalya")	Antalya Havalimanı 1. Dış Hatlar Terminali 07230 Antalya TURKEY	Mauritius	23%	50%
Fraport IC İçtaş Antalya Havalimanı İşletme A.Ş. ("TAV Antalya Invest")	Antalya Havalimanı 1. Dış Hatlar Terminali 07230 Antalya TURKEY	Mauritius	23%	50%
Société de gestion et d'exploitation de l'aéroport de Conakry ("SOGEAC")	Aéroport de Gbessia, B.P 3126 Conakry République de Guinée	Mauritius	29%	29%
Liège Airport <sup>1</sup>	Aéroport de Bierset 4460 GRÂCE-HOLLOGNE	Belgium	26%	26%
<b>Real estate:</b>				
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%
<b>Retail and services:</b>				
Société de Distribution Aéroportuaire	114 avenue Charles de Gaulle 92200 NEUILLY-SUR-SEINE	France	50%	50%
RELAY@ADP	55 rue Dегuingand 92300 Levallois Perret	France	50%	50%
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 Londres - bâtiment Uranus - Continental Square 1 - Aéroport Roissy Charles de Gaulle - 93290 Tremblay en France	France	50%	50%

<sup>1</sup> Reported under Associates non-perating entities until 31 December 2017.



Entity	Address	Country	% stake	% control
<b>Other activities:</b>				
Egidium	114 avenue Charles de Gaulle 92200 NEUILLY-SUR-SEINE	France	20%	20%
Safety Line	12 Rue Clavel, 75019 Paris	France	12%	12%
Innov'ATM	15 rue Alfred Sauvy 31270 Cugnaux	France	17%	17%
Gestionnaire d'Infrastructure CDG Express	1 rue de France - 93290 Tremblay-en-France	France	33%	33%
<b>ASSOCIATES (non-operating entities)</b>				
<b>Real estate:</b>				
SCI Roissy Sogaris	Avenue de Versailles RN 186 94150 RUNGIS	France	40%	40%
<b>Other activities:</b>				
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	19%	19%

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% each of the aggregates (Consolidated revenue, operating income and net income for the period).

Entity	Activities	Country	% ownership	Owned by
<b>INVESTMENTS IN COMPANIES NOT RELEVANT TO THE SCOPE (WITHOUT ACTIVITY OR NEGLIGIBLE ACTIVITY)</b>				
<b>International and airport developments:</b>				
ADPM 2 <sup>1</sup>	For airport operations	France	100%	ADP International
ADPM 3 <sup>1</sup>	For airport operations	France	100%	ADP International
Philippines Airport Management Company <sup>1</sup>	For airport operations	France	73%	ADP International & Aviator Netherland
Matar <sup>1</sup>	Operating contract of the Hadj terminal in Djeddah	Saudi Arabia	5%	ADP International
<b>Other activities:</b>				
CCS France <sup>2</sup>	Computer programming	France	20%	Aéroports de Paris SA
BestMile <sup>1</sup>	Experimentation of autonomous vehicle	Suisse	8%	ADP Invest
Civipol Conseil <sup>2</sup>	Promotion of the Ministry of Interior skills	France	1%	Aéroports de Paris SA
PACIFA <sup>1</sup>	Software company	France	12%	Aéroports de Paris SA
Pole Star <sup>1</sup>	Engineering, technical studies	France	11%	Hub One
Bolloré Télécom <sup>1</sup>	Telecommunications	France	2%	Hub One
Immobilière 3F <sup>1</sup>	Real estate management specialized in low-rent housing	France	<1%	Aéroports de Paris SA
SoftToGo1	Portage of software	Argentina	100%	Hub One Mobility
OnePark <sup>1</sup>	Software editor for distribution of parking spaces	France	1%	ADP Invest
FinalCAD <sup>1</sup>	Software editor for management of construction projects	France	2%	ADP Invest
<b>INVESTMENTS IN COMPANIES NOT RELEVANT TO THE SCOPE (investment funds<sup>1</sup>)</b>				
Equipe de France <sup>1</sup>	Portfolio of equity investments in companies quoted on the Saudian stock exchange	France	N/A	Aéroports de Paris SA
ELAIA Delta Fund <sup>1</sup>	Investments in companies operating in the digital and BtoB sectors	France	N/A	Aéroports de Paris SA
Cathay Innovation <sup>1</sup>	Investments in high potential companies in Europe, China and USA	France	N/A	Aéroports de Paris SA
X ANGE <sup>1</sup>	Investments in innovating companies operating in the digital, mobile services, software, infrastructure and banking sectors	France	N/A	Aéroports de Paris SA
White Star Capital II France S.L.P. <sup>1</sup>	Venture capital fund investing in companies acting in the innovative technologies sector in North America and Western Europe	France	N/A	Aéroports de Paris SA
Cathay Innovation III <sup>1</sup>	Investments in high potential companies in Europe, China and USA	France	N/A	Aéroports de Paris SA

<sup>1</sup> IFRS 9 classification: fair value adjustments are recognized through profit and loss accounts.

<sup>2</sup> IFRS 9 classification: fair value adjustments are recognized through OCI.



## 20.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Aéroports de Paris

Year ended 31 December, 2018

*This is a translation into English of the Statutory Auditors' report on the consolidated 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 information concerning the Group presented in the management report.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Annual General Meeting of Aéroports de Paris,

### I. Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting of, we have audited the accompanying consolidated financial statements of Aéroports de Paris for the year ended 31 December, 2018.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December, 2018 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 engagement in compliance with independence rules applicable to us, for the period from 1 January, 2018 to the date of our report and specifically 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 (*Code de déontologie*) for Statutory Auditors.

### II. 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 inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed 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, and we do not provide a separate opinion on specific items of the consolidated financial statements.

#### Valuation of intangible assets arising from a service concession agreement

(see Note 6.1.1 "Airport concession operating rights")

##### Risk identified

As at 31 December, 2018, the Group held M€ 2,773 in intangibles assets relating to airport concessions operating rights (approximately 17% of total assets as at 31 December, 2018) including M€ 873 related to airport operating right of Queen Alia to Amman recognized at the time of the acquisition of Airport International Group (AIG) on 18 April, 2018.

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 in notes 6.1.1 and 6.4, the Group performs 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.

##### Our response

Note 6.1.1 indicates that impairment tests were conducted as at 31 December, 2018 following the identification of impairment loss indicators for the rights to operate Monastir and Enfidha International airports firstly and, Milas- Bodrum secondly, due in particular to lower traffic in the previous years. Based on these tests, no impairment loss was recognized for the year ended 31 December, 2018.

We consider the valuation of intangible assets arising from a service concession agreement to be 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's necessary judgments 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.

We examined the compliance of the methodology used to calculate depreciation and amortization with the principles described 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 year-end by verifying the change in actual traffic versus forecast traffic and by comparing the actual results of airport concessions with budgets;
- ◆ where applicable, (i) compared the assumptions used for the impairment tests with the items presented in the concession agreements and the available market data, (ii) examined the 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 (iii) 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 at 31 December, 2018, the net carrying amount of property, plant, equipment stood at M€ 7,272 (or 45% of total assets), mainly driven by Aéroports de Paris.

Under the 2016-2020 Economic Regulation Agreement (ERA) entered into with the French State, the Group is pursuing an investment program within the regulated scope that must meet an investment budget amounting to M€ 2,978 for the period, as well as a deadline condition.

The assets are depreciated according to the methods set out in the notes to the consolidated financial statements. Their useful life is 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 consider the valuation of property, plant, equipment to be a key audit matter due to (i) the significant value of property, plant, equipment in the Group's consolidated financial statements, and (ii) the management's necessary judgments to estimate the useful life of depreciable assets, which involves a specific and complete identification of assets whose renewal is planned in the short or medium term.

### Our response

The works we conducted consisted mainly in familiarizing ourselves with 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 or medium term.

Using sampling method, we also:

- ◆ compared the useful lives applied with the expected useful lives, as resulting from the investment and continuation program of the existing assets;
- ◆ examined the accounting documentation for the assets whose depreciation term has changed over the year;
- ◆ conducted a critical review 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 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 M€ 509 as at 31 December, 2018 and presents the fair value of its buildings in Note 6.3.2 to the consolidated financial statements, for a net carrying amount of M€ 2,624 as at 31 December, 2018.

Note 6.3.2 specifies that the fair value of investment property is based on a value appraised by independent real estate appraisal firms for nearly 100% of its total value, land reserves being appraised internally.

The measurement of the fair value of a property asset requires significant judgments from 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 consider the measurement of the fair value of investment property to be a key audit matter due to (i) the material value presented in the notes to the consolidated financial statements, and (ii) the management's judgment to determine the value.

### Our response

The work we conducted, with the help of a real estate specialist included in our audit team, consisted mainly in:

- ◆ assessing the competency and independence of the real estate appraisal firms chosen by the Group, particularly in regard to their professional qualifications;
- ◆ examining the substance 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 valuation methodologies used;
- ◆ based on sampling, comparing the data used in the appraisal process with the existing documentation, such as leases or the information provided by management to their real estate appraisal firms;
- ◆ corroborating, for the main investment properties, the changes in fair values observed during 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 Note 4.2 "Revenue")

### Risk identified

As at 31 December, 2018, the revenue related to airport safety and security amounted to M€ 499.

Aéroports de Paris receives revenue in 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 for 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.

Your Group uses allocation keys to determine which costs were incurred with respect to these missions, as certain types of costs may not be exclusive to the missions, specifically certain leasing expenses, certain depreciation, amortization and maintenance charges, and taxes other than income taxes.

We consider the valuation of revenue related to airport safety and security to be a key audit matter given the amounts at stake, and the fact that it is based on the reliability of the keys used to allocate the costs incurred.

### Our response

The works we conducted consisted in mainly:

- ◆ familiarizing ourselves with the internal control procedures 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 included in our audit team.



We also:

- ◇ for each type of cost, relying on the Company's analyses, assessed the difference between the year-end actual cost, the budget and the comparative period;
- ◇ conducted a critical analysis of the security mission costs recorded for the airport safety and security scope by examining, based on a sample, their eligibility for refunding by the DGAC, as defined by the applicable regulations.

### III. Specifics verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations of the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement provided for by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with the provisions of Article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the financial statements of the information contained in this statement which has to be subject to a report by an independent third party.

### IV. Report on Other Legal and Regulatory Requirements

#### Appointment of the Statutory Auditors

DELOITTE & ASSOCIES and ERNST & YOUNG Audit were appointed as Statutory Auditors of Aéroports de Paris by the Annual General Meeting of 18 May, 2015.

As at 31 December, 2018, DELOITTE & ASSOCIES and ERNST & YOUNG Audit were both in their fourth year of uninterrupted engagement.

Previously ERNST & YOUNG et Autres and ERNST & YOUNG Audit, members of the EY international network, previously were Statutory Auditors of the Group from 2009 to 2014 and 2003 to 2008, respectively.

### V. 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 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 operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks

management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

### VI. Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

#### Objectives 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 consolidated 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 consolidated 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 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 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 the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- ◇ evaluates the overall presentation of the consolidated financial statements and assesses whether these 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 or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

### Report to the Audit and Risk Committee

We submit to the Audit and Risk Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. 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 consolidated 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) No 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.

Paris-La Défense, 4 March, 2019

The Statutory Auditors  
French original signed by

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

Olivier BROISSAND

Christophe PATRIER

Alban de CLAVERIE

Alain PERROUX



## 20.3 COMPANY FINANCIAL STATEMENTS AND NOTES OF AÉROPORTS DE PARIS S.A. AT 31 DECEMBER, 2018

### // INCOME STATEMENT

<i>(in millions of euros)</i>	Notes	2018	2017
Revenue	5.1	2,957	2,820
Changes in finished goods inventory		2	(2)
Capitalised production	5.2	65	61
Reversal of provisions and expense transfers	5.7	35	42
Operating subsidies		1	1
Other operating income	5.3	46	29
<b>Operating income</b>		<b>3,105</b>	<b>2,951</b>
Purchases and external expenses	5.4	(854)	(832)
Taxes other than income taxes	5.5	(265)	(247)
Employee benefit costs	5.6	(586)	(590)
Other operating expenses		(18)	(24)
Depreciation, Amortisation and provision	5.7	(477)	(477)
<b>Operating expenses</b>		<b>(2,201)</b>	<b>(2,170)</b>
<b>Operating income</b>		<b>905</b>	<b>781</b>
Financial income		106	141
Financial expenses		(155)	(151)
<b>Financial income</b>	5.8	<b>(49)</b>	<b>(10)</b>
<b>Income before tax</b>		<b>856</b>	<b>771</b>
Extraordinary income		122	130
Extraordinary expenses		(130)	(150)
<b>Extraordinary income</b>	5.9	<b>(8)</b>	<b>(20)</b>
Employees' profit sharing		(28)	(22)
Income taxes	5.10	(256)	(223)
<b>NET INCOME</b>		<b>564</b>	<b>506</b>

## // ASSETS

<i>(in millions of euros)</i>	Notes	As at 31 Dec., 2018			As at 31 Dec., 2017
		Gross Amount	Amortization or depreciation	Net amount	
Intangible assets	6.1	292	(219)	74	63
Property, plant and equipment	6.1	12,478	(6,403)	6,075	5,921
Fixed assets in progress	6.1	1,292	-	1,292	998
Advances and deposits	6.1	22	-	22	23
Financial assets	6.2	1,521	(63)	1,458	1,433
<b>I - Fixed assets</b>		<b>15,606</b>	<b>(6,684)</b>	<b>8,922</b>	<b>8,438</b>
Inventories		17	-	17	15
Advances and deposits		4	-	4	3
Trade receivables	6.3	412	(21)	391	404
Other receivables	6.3	848	(1)	847	308
Marketable securities	6.4	1,289	(1)	1,288	1,404
Cash	6.4	130	-	130	117
Prepaid expenses	6.5	29	-	29	28
<b>II - Current assets</b>		<b>2,728</b>	<b>(23)</b>	<b>2,705</b>	<b>2,277</b>
<b>III - Bond redemption premiums</b>	<b>6.6</b>	<b>16</b>	<b>-</b>	<b>16</b>	<b>15</b>
<b>IV - Translation adjustments - ASSETS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>18,351</b>	<b>(6,707)</b>	<b>11,644</b>	<b>10,733</b>

## // LIABILITIES

<i>(in millions of euros)</i>	Notes	As at 31 Dec., 2018	As at 31 Dec., 2017
Share capital		297	297
Premiums		543	543
Revaluation difference		23	23
Reserves and retained earnings		2,225	2,061
Profit/loss for the period		564	506
Interim dividend		(69)	(70)
Investment grants		48	49
Regulated provisions		1,194	1,173
<b>I - Equity</b>	<b>6.7</b>	<b>4,823</b>	<b>4,583</b>
<b>II - Provisions</b>	<b>6.8</b>	<b>403</b>	<b>431</b>
Financial debt	6.9	5,462	4,806
Trade payables and related accounts	6.10	118	126
Tax and employee-related liabilities	6.10	269	250
Debts on fixed assets and other liabilities	6.11	414	373
Deferred income	6.5	155	162
<b>III - Debts</b>		<b>6,418</b>	<b>5,717</b>
<b>IV - Bond redemption premiums</b>		<b>-</b>	<b>-</b>
<b>V - Translation adjustments - LIABILITIES</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>11,644</b>	<b>10,733</b>



## // CASH FLOW STATEMENT

<i>(in millions of euros)</i>	Notes	2018	2017
<b>Operating income</b>		<b>905</b>	<b>781</b>
Net depreciation and provisions for liabilities and expenses		438	439
Financial income and expenses (excluding debt)		9	(8)
<b>Change in working capital</b>	<b>7.1</b>	<b>(40)</b>	<b>3</b>
Tax expenses paid minus tax received		(178)	(276)
<b>Cash flows from operating activities</b>		<b>1,134</b>	<b>940</b>
Disposals of holdings		1	1
Acquisition of holdings	7.2	(31)	(50)
Purchase of property, plant, equipment and intangible assets	6.1	(924)	(791)
Change in other financial assets	7.3	(579)	(144)
Proceeds from sales of fixed assets (net of the change in receivables)		1	36
Dividends received	7.4	79	87
Change in debt and advances on asset acquisitions		62	(47)
<b>Cash flows from investing activities</b>		<b>(1,391)</b>	<b>(908)</b>
Capital called but unpaid		-	-
Capital grants received in the period		3	6
Net disposal (purchase) of treasury shares		-	-
Dividends paid	6.7	(343)	(261)
Proceeds from long-term debt	6.9	756	504
Repayment of long-term debt	6.9	(106)	(142)
Change in other financial liabilities	6.11	(49)	(130)
Net financial interest paid		(105)	(105)
<b>Cash flows from financing activities</b>		<b>156</b>	<b>(128)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(102)</b>	<b>(97)</b>
Cash at opening		1,520	1,617
Cash at closing	7.5	1,418	1,520

## 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 SA, 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 SA 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 SA 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 SA 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 SA 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 SA 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 SA 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. The main subsidiaries concerned are ADP Ingénierie, ADP International, ADP Immobilier, ADP INVEST, Cœur d'Orly Investissement, HUB one, TANK Alpha and TANK Beta. Aéroports de Paris SA has entered into cash pooling agreements with the relevant subsidiaries under this system. 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 levelling subsidiary accounts to the centralising account on a daily basis, ensures the best possible management of both loan support and investment of cash surpluses.



Euro advances by the centralising company to the subsidiaries bear monthly interest at the EONIA rate +0.65%. Those made in euros by the subsidiaries to the centralising company bear monthly interest at the EONIA rate.

US dollar advances by the centralising company to the subsidiaries bear monthly interest at the USD LIBOR overnight rate plus 0.65%. US dollar advances by the subsidiaries to the centralising company bear monthly interest at the USD LIBOR overnight rate -0.07%.

It is specified that if the EONIA rate and/or USD LIBOR overnight rate less 0.07% were to become negative, the rate for advances would then be capped at 0%.

Under the cash pooling agreements between Aéroports de Paris SA and its subsidiaries, current accounts are presented as "Other receivables" when there is a debit balance and as "Debts on fixed assets and other liabilities" when there is a credit balance. See notes 6.3 and 6.11

## NOTE 3 SIGNIFICANT EVENTS

### "PACTE" draft bill containing provisions related to Groupe ADP

The PACTE draft bill on business growth and transformation (No. 1088), which, in Articles 130 to 136, contains provisions relating to the ADP Group, was definitively adopted by Parliament on 11 April 2019. The bill specifically provides for the authorisation of the transfer of the majority of ADP's capital to the private sector and, as of the date of transfer, modifies the conditions for operating within the Greater Paris Region. As such, it provides for the right to operate Paris airports to be limited in time to a period of 70 years, at the end of which ADP's assets operated in the Greater Paris Region and shares in companies held by ADP, with the exception of those dedicated to an activity carried out outside the aerodromes mentioned in Article L.6323-2 of the French Transport Code, will be transferred in full to the State. The draft bill provides that the State will pay ADP compensation in respect of this transfer of assets.

The change in the legal regime of Aéroports de Paris will not have any accounting impact under French standards (used to prepare the financial statements for the regulated scope); the IFRS treatment remains to be assessed on the basis of future specifications.

The draft bill provides that the State will pay ADP compensation in respect of this transfer of assets.

The draft bill provides that this compensation amount, owing and paid by the State to Aéroports de Paris, shall be made up of two components:

- ◆ **the first, paid at the time of the transfer of the majority of ADP's capital to the private sector, is defined as:** the sum of the after-tax free cash flows generated by the assets transferred to the State at the end of the 70 years of operation, discounted at the WACC<sup>1</sup> of ADP, after deduction of an estimate of the discounted net book value of the properties expropriated in 70 years at the same WACC. This amount shall be a lump sum and cannot be revised. It is calculated based on available public data, set by decree, with the approval of the Investments and Transfer Committee, (after consultation with a committee composed of three people, appointed jointly, on the basis of their financial expertise, by (i) the first President of the Court of Auditors, (ii) the President of the AMF and (iii) the President of the Association of Chartered Accountants);
- ◆ **a second component, paid by the State to Aéroports de Paris at the end of the 70-year period, upon transfer of the ownership of these assets to the State.** This second component is equivalent to the net book value of the assets transferred to the State, as presented in ADP's financial statements at the end of the 70-year period. This is set by decree, paid to the company no later than the date of the transfer of ownership of the assets to the State.

The PACTE bill secures and strengthens the current regulatory model applicable to Paris airports:

- ◆ confirmation of ADP's adjusted till model by the PACTE bill;
- ◆ confirmation of the principle of fair return on capital employed, and clarification of the calculation method for the weighted average cost

of capital (WACC) for the limits of the regulated scope estimated "using the financial assets valuation model, available market data and parameters considered for the companies engaged in comparable activities";

- ◆ intangibility of the WACC at the limits of the regulated activities which cannot be called into question during the period covered by the Economic Regulation Agreement, including for the current Economic Regulation Agreement.

The draft bill also enables better medium-term visibility:

- ◆ the twofold principle (i) of fair returns on invested capital and (ii) of suitability of fees to the cost of services rendered (including return on invested capital) can be assessed globally and on a provisional basis over the entire duration of the Economic Regulation Agreement;
- ◆ the use of French accounting standards for regulation is confirmed.

Following the law's enactment, regulatory application measures will be required, including the Company's specifications, which would be applied in the event of the transfer of a majority of ADP's share capital to the private sector. The impacts on ADP can only be assessed depending on all of these legal elements, which will be subject to official publication under the usual conditions of publication for laws and regulations.

### Funding

In 2018, Aéroports de Paris SA took out two loans for a total amount of €752 million. The primary loan had the following characteristics:

On 4 October 2018, Aéroports de Paris SA launched a bond issue for a total amount of €500 million with a 20 years maturity and the following characteristics:

- ◆ format: fixed rate;
- ◆ redemption: in fine;
- ◆ annual rate: 2.125%;
- ◆ re-offer spread: 65 bp over mid swap;
- ◆ re-offer yield: 2.174%;
- ◆ payment date: 11 October 2018;
- ◆ maturity date: 11 October 2038.

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

### CDG Express

The CDG Express Études firm has been in voluntary liquidation since 30 December 2018, in accordance with its Articles of Association (company life of five years). The company, which was created at the end of 2013 and held equally by Aéroports de Paris SA, SNCF Réseau and the French State, was responsible for carrying out legal, technical and financial studies for the CDG Express rail link between Paris and the CDG airport. These studies, in the amount of €17.5 million, will be transferred to "GI CDG Express", the infrastructure management company.

<sup>1</sup> Calculated according to the financial assets valuation model at the date of transfer of the majority of ADP's share capital to the private sector.

The latter was created on 10 October 2018 to finance the project and to design, build, service and maintain the link under a work concession contract with the French State, which should be signed in early 2019. It is held equally (33%) and jointly controlled by Aéroports de Paris SA, SNCF Réseau and the *Caisse des dépôts et consignations*.

Pending the signature of the main contracts for the CDG Express project, and notably, the concession contract between the French State and GI CDG Express, and the construction design contract between Aéroports de Paris SA and GI CDG Express, the French State, in a letter sent in

July 2018, asked Aéroports de Paris SA and SNCF Réseau to continue the studies and work required to ensure the commissioning of the project by the end of 2023 and committed to reimbursing the expenses incurred by the two companies, up to €313 million, to which could be added any future breach of contract and upgrading costs.

Given this, Aéroports de Paris SA recognised accruals for the studies and work completed in the amount of €45 million, of which €38 million was recorded in 2018.

## NOTE 4 ACCOUNTING PRINCIPLES APPLIED TO THE FINANCIAL STATEMENTS

### 4.1 Accounting principles

The annual financial statements of Aéroports de Paris SA are drawn up in compliance with accounting policies and principles as defined by the French Chart of Accounts (see regulation ANC 2014-03 of the French Accounting Regulatory Committee of 5 June 2014 and its subsequent regulations).

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.

### 4.2 Changes in accounting principles and comparability of periods

Regulation no. 2018-01 of 20 April 2018 on changes in methods, changes in estimates and error correction was published on 9 October 2018. It is applicable to the financial years open on the publication date of the regulation, that is, as of 1<sup>st</sup> January 2018 for Aéroports de Paris SA. Application of the regulation has no impact on Aéroports de Paris SA.

In addition, the ANC published regulation no. 2018-02 on 6 July 2018 regarding withholding at source. The regulation is applicable to the financial years open as of 1<sup>st</sup> January 2019. It therefore has no impact on Aéroports de Paris SA' 2018 financial statements.

The other accounting methods applied are identical and comparable to the previous financial 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.

The significant estimates and assumptions used in the preparation of the financial statements primarily relate to:

- ◆ assessment of the recoverable value of long-lived assets (cf. notes 4.7, 6.1 et 6.2);
- ◆ pension plans and other post-employment benefits (cf. notes 4.16 et 6.8);
- ◆ provisions for risks and expenses (cf. notes 4.16 et 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 6.1 "property, plant and equipment / tangible assets") This scope includes all Aéroports de Paris SA 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** passenger fees, landing fees and parking fees. They are calculated respectively according to the number of boarded passengers, aircraft weight and parking time.

**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 that may not be exclusive to its missions, such as depreciation and amortisation and maintenance expenses, certain rental expenses and taxes and duties.





## 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....) 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.

## 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 SA 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

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 4.4 "Revenue - Airport Fees", which defines the "regulated" scope and which must respond both to the effective implementation of an investment envelope of €2,978 million over the period but also to an investment schedule.

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.

## Technical losses

Following the adoption of the ANC 2015-06, technical losses on merger allocated to financial assets, which were formerly classified as intangible assets until 2015 year-end, are since 1 January 2016 classified in the "Other financial assets" caption. These items are made of the discrepancy between the net assets received and the book value of securities of the merged company.

Once a year, these technical losses are submitted to an impairment test and if need be, a depreciation is booked permanently. Indeed depreciation on technical losses cannot be reversed.

## 4.7 Depreciation of long-term assets

At each closing date, Aéroports de Paris SA 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 SA 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 SA 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 SA 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.

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").

#### 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.

#### 4.17 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.

#### 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

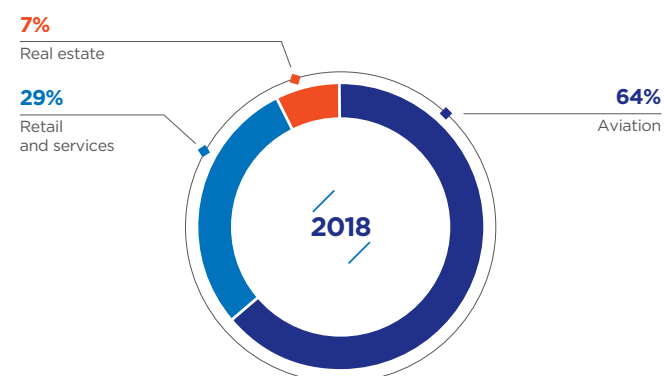
The segment information below is presented in accordance with the internal reporting and the sector benchmarks presented to the Group's Chief Operating Officer:

(in millions of euros)	Activities			2018	2017
	Aviation	Retail and services	Real estate		
Airport fees	1,115	-	-	1,115	1,056
Revenue from airport safety and security services	499	-	-	499	487
Retail activities	-	469	2	471	442
Rental income	32	111	189	332	324
Ancillary fees	239	16	-	255	243
Car parks and access roads	-	173	-	173	171
Industrial services revenue	-	43	-	43	41
Other revenue	13	39	18	71	56
<b>TOTAL</b>	<b>1,897</b>	<b>850</b>	<b>210</b>	<b>2,957</b>	<b>2,820</b>

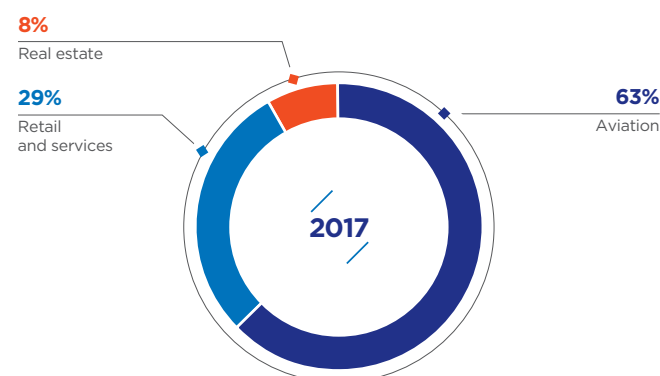
Revenue increased by +4.8% (+€137 million) in 2018 and amounts to €2,957 million. This Increase is mainly explained by:

- ◇ the increase in airport fees (+€59 million), driven by growth in departing passenger traffic of +3.7% compared to last year, a price effect related to the price increase of 1<sup>st</sup> April 2018 (+2.1%), and a favourable structural effect (increase in the number of destination passengers compared to the number of connecting passengers);
- ◇ the increase in ancillary aviation fees (+€12 million), which can be attributed in particular to the check-in desks and the PMR fees connected to the rise in departing traffic (+3.7%);
- ◇ the increase in retail activity (+€29 million), particularly at Airside shops (+€15 million), boosted by the increase in traffic and revenue/pax, Bars and Restaurants (+€6 million) with, in addition to the traffic effect, a rise in revenue/pax and favourable scope and advertising effects (+€3 million);
- ◇ the increase in Revenue from airport safety and security services (+€12 million), which was primarily the result of an increase in subcontracting (+€7 million);
- ◇ the increase in Other revenue of +€15 million, primarily related to the work undertaken for Société du Grand Paris.

#### Breakdown of revenue 2018



#### Breakdown of revenue 2017



## 5.2 Capitalised production costs

<i>(in millions of euros)</i>	2018	2017
Capitalised production	65	61

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.

## 5.3 Other operating income

<i>(in millions of euros)</i>	2018	2017
Other	43	26
Penalties received	3	3
<b>TOTAL OTHER OPERATING INCOME</b>	<b>46</b>	<b>29</b>

Other operating income consists primarily of indemnities from CDG Express for €38 million (see Note 3 on the highlights) and Société du Grand Paris for €4 million for works carried out on Aéroports de Paris SA land.

## 5.4 Purchases and external expenses

<i>(in millions of euros)</i>	2018	2017
Electricity	(26)	(26)
Water, gas and fuel	(13)	(12)
Operational supplies and small-format equipment	(11)	(12)
Other consumables	(32)	(15)
<b>Consumables</b>	<b>(81)</b>	<b>(64)</b>
General sub-contracting	(493)	(478)
◆ Security	(236)	(230)
◆ Cleaning	(74)	(74)
◆ Transport	(32)	(34)
◆ Other	(152)	(141)
Maintenance and repairs	(129)	(134)
Post and communication costs	(29)	(30)
Insurance	(9)	(11)
Remuneration of intermediaries and fees	(23)	(25)
Advertising, publications, public relations	(29)	(32)
Rental and leasing expenses	(18)	(18)
External personnel	(5)	(6)
Other external expenses	(37)	(34)
<b>External expenses</b>	<b>(773)</b>	<b>(768)</b>
<b>TOTAL PURCHASES AND EXTERNAL EXPENSES</b>	<b>(854)</b>	<b>(832)</b>

External purchases and expenses amount to €854 million as of 31 December 2018, compared to €832 million in the previous year. This represents an increase of +2.6% (-€22 million).

Raw materials and consumables used are up by €17 million compared to last year, reflecting an increase in expenses for the services provided on behalf of Société du Grand Paris in the amount of €10 million and an increase in purchases of weather-related supplies at the beginning of the year.

Subcontracting has increased by €15 million, with a rise of €6 million for security and €11 million for other services (notably an increase in Reception relating to the rollout of "Welcome to Paris" of €4 million, PRM, caretaking and waste management).

Maintenance and repair have decreased by €5 million compared to last year, of which €2 million relating to Société du Grand Paris.

## 5.5 Taxes other than income taxes

<i>(in millions of euros)</i>	2018	2017
Property tax	(96)	(93)
Territorial financial contribution	(71)	(57)
Non-refundable VAT on safety expenditure	(54)	(54)
Tax on earnings	(21)	(21)
Other taxes	(23)	(22)
<b>TAXES OTHER THAN INCOME TAXES</b>	<b>(265)</b>	<b>(247)</b>

Duties and taxes increased by 7% for a total of €265 million at 31 December 2018:

◇ in terms of Property tax, the increase (+€3 million) is primarily the result of the updating of our tax bases and of the application of the reform of lease values implemented in 2017;

◇ with respect to the CET (Contribution Economique Territoriale), the increase (+€14 million) is the result of the changes made to our property bases plus the effect of the increase in the added value for the period.

## 5.6 Employee benefit costs

<i>(in millions of euros)</i>	2018	2017
Salaries	(376)	(381)
Social security expenses	(162)	(165)
Profit-sharing bonus	(14)	(13)
Works Council	(19)	(19)
Tax credit for competitiveness and employment	4	4
Other employee expenses	(19)	(17)
<b>EMPLOYEE BENEFIT COSTS</b>	<b>(586)</b>	<b>(590)</b>

Employee benefit costs amounted to €586 million as of 31 December 2018, a reduction of €4 million compared to last year.

The decrease in average headcount of -1.5% resulted in a decrease in employee benefit costs by approximately -€6 million.

Other employee benefit costs include the PEE/PERCO contributions, meals for employees of Aéroport de Paris SA outside the restaurants managed by the Works Committee, and additional retirement benefits.

The amount of additional retirement benefits for 2018 increased by €2 million compared to 2017, following retirements under an early retirement plan.

## 5.7 Operating depreciations, amortisations and reversals

<i>(in millions of euros)</i>	2018		2017	
	Additions	Reversals	Additions	Reversals
Intangible assets	(20)	-	(19)	-
Property, plant and equipment	(432)	-	(420)	-
<b>Depreciation and Amortisation of fixed assets</b>	<b>(453)</b>	<b>-</b>	<b>(439)</b>	<b>-</b>
Provisions for risks	(6)	18	(11)	17
Provisions for expenses	(13)	15	(24)	18
<b>Provisions for liabilities and expenses</b>	<b>(19)</b>	<b>33</b>	<b>(36)</b>	<b>35</b>
Trade receivables and related accounts	(7)	1	(3)	6
<b>Depreciation of receivables</b>	<b>(7)</b>	<b>1</b>	<b>(3)</b>	<b>6</b>
<b>Transfer of operating charges</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>TOTAL</b>	<b>(477)</b>	<b>35</b>	<b>(477)</b>	<b>42</b>

Provisions for liabilities and expenses amount to €19 million, including mainly provisions for commitments for end-of-career benefits.

The amount of allowances for impairment of doubtful and disputed receivables is €7 million.



## 5.8 Financial income

Financial income in 2018 amounted to €49 million and includes:

<i>(in millions of euros)</i>	2018	2017
Income from investments	57	109
Swap interest <i>income</i>	9	9
Other financial income	41	23
<b>Financial income</b>	<b>106</b>	<b>141</b>
Interest on loans	(114)	(108)
Swap interest <i>charges</i>	(6)	(6)
Other financial expenses	(35)	(37)
<b>Financial expenses</b>	<b>(155)</b>	<b>(151)</b>
<b>FINANCIAL INCOME</b>	<b>(49)</b>	<b>(10)</b>

Financial income amounts to €106 million and mainly comprises:

- ◇ dividends received (€57 million), of which €37 million for the share of the holding in Tank Alpha and €12 million for Schiphol;
- ◇ interest income from swaps amounting to €9 million.

Other financial income is mainly made up with:

- ◇ reversal of impairment on Tank Alpha securities in the amount of €3 million;
- ◇ reversal of impairment on current account of the Cœur d'Orly Investissement of €7 million;
- ◇ exchange gains amounting to €9 million;
- ◇ interest on current accounts of €8 million.

Financial expenses for the 2018 year primarily comprise interest on borrowings and swaps amounting to €120 million. The change in this type of expenses is consistent with the variation in borrowings and debt swaps (see Note 6.9 "Financial debt").

Other Financial expenses contains:

- ◇ impairment of €8 million on ADP International securities;
- ◇ net impairment of the Cœur d'Orly Investissement securities of €6 million;
- ◇ impairment of other securities of €4 million;
- ◇ impairment of other EPIGO receivables of €3 million;
- ◇ exchange losses amounting to €2 million.

### Breakdown of Group<sup>1</sup> and non-Group net financial income

<i>(in millions of euros)</i>	Income from investments	Amortisation and reversal of provisions	Other financial income and expenses	Total
TANK Holding ÖW	-	-	-	-
Schiphol Group	12	-	-	12
ADP International	-	(8)	4	(4)
SAS Cœur d'Orly Investissement	-	1	-	1
Hub One	2	-	-	2
TANK ÖWA alpha GmbH	37	3	12	52
Média ADP	2	-	-	2
Others	3	(3)	1	2
<b>Group Financial result</b>	<b>56</b>	<b>(6)</b>	<b>18</b>	<b>68</b>
Net financial income	-	-	-	(111)
Other financial income and expenses	-	-	-	(6)
<b>Financial result outside the Group</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(117)</b>
<b>FINANCIAL INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(49)</b>

<sup>1</sup> Here, the Group encompasses all subsidiaries and shareholdings held by Aéroports de Paris SA.

## 5.9 Extraordinary income

<i>(in millions of euros)</i>	2018	2017
Accelerated depreciation write-off	79	73
Other extraordinary income from assets	8	36
<b>Extraordinary income from assets</b>	<b>87</b>	<b>109</b>
Reversal of provisions for liabilities and expenses	15	19
Other extraordinary income	19	2
<b>Sundry exceptional income</b>	<b>34</b>	<b>21</b>
<b>Extraordinary income</b>	<b>122</b>	<b>130</b>
Accelerated depreciation expenses	(100)	(107)
Other extraordinary expenses on assets	(12)	(20)
<b>Extraordinary expenses on assets</b>	<b>(112)</b>	<b>(127)</b>
Provisions for extraordinary liabilities and expenses	(1)	(20)
Other extraordinary expenses	(16)	(3)
<b>Sundry extraordinary expenses</b>	<b>(17)</b>	<b>(23)</b>
<b>These adjustments relate mainly to the depreciation of intangible assets (concession agreements, customer relationship)</b>	<b>(130)</b>	<b>(150)</b>
<b>EXTRAORDINARY INCOME</b>	<b>(8)</b>	<b>(20)</b>

In 2018, the main changes in other extraordinary income concern the CET tax relief for financial years 2010 to 2014 in the total amount of €19 million.

Accelerated tax depreciation consists primarily of accelerated tax depreciation on property, plant and equipment.

Aéroports de Paris SA benefits from a system codified in Article 217 octies of the French General Tax Code which allows companies subject to income tax to implement accelerated tax depreciation over five years for their cash investments in innovation SMEs under certain conditions.

## 5.10 Income tax expenses

### Break down of tax

<i>(in millions of euros)</i>	Income before tax	Taxes	Net income excluding profit sharing
Current result	856	(262)	594
Extraordinary income	(8)	3	(6)
Tax consolidation revenue	-	4	4
<b>TOTAL (EXCLUDING PROFIT SHARING)</b>	<b>847</b>	<b>(256)</b>	<b>592</b>

Aéroports de Paris does not recognise deferred tax in its statutory financial statements.





The table below presents temporary differences that will give rise to the recognition in the future of an income tax liability or a tax credit.

<i>(in millions of euros)</i>	As at 31 Dec., 2018	As at 31 Dec., 2017	Change
Participation of employee's profit sharing	(28)	(22)	(6)
Provisions for exchange losses	-	-	-
Provisions for employee benefit obligations	(371)	(373)	2
Other non-deductible provisions	(19)	(38)	18
Cost of studies and supervision of works (FEST)	(25)	(35)	9
Acquisition cost of securities investments	(10)	(10)	-
Amortization of securities investments acquisition costs	10	10	-
Property option exercise (Ex. Leasing)	(6)	(6)	-
<b>Deductible expenses for the period on subsequent periods</b>	<b>(450)</b>	<b>(475)</b>	<b>25</b>
FEDEX	67	65	2
Translation adjustments - Asset	-	-	-
Regulated provisions	1,194	1,173	22
Other prepaid expenses	(3)	-	(3)
<b>Deducted charges of subsequent periods for the period</b>	<b>1,258</b>	<b>1,238</b>	<b>20</b>
<b>TOTAL TEMPORARY DIFFERENCES</b>	<b>807</b>	<b>763</b>	<b>45</b>

Future income tax liability estimated at €169 million as at 31 December 2018 (€165 million as at 31 December 2017). The valuation has taken into account a decrease in the tax rate from 34.43% to 25.82% in 2022 in compliance with the finance law approved at the end of December 2018

## NOTE 6 NOTES TO THE BALANCE SHEET

### 6.1 Fixed Assets

<i>(in millions of euros)</i>	As at 31 Dec., 2017	Increase	Decrease	Transfers to and from other headings	As at 31 Dec., 2018
Concessions and similar rights, patents, licences, brands, procedures, and similar rights and values	265	-	(3)	30	292
<b>Intangible assets</b>	<b>265</b>	<b>-</b>	<b>(3)</b>	<b>30</b>	<b>292</b>
Land	53	-	-	-	52
Land development	32	-	-	3	35
Buildings	11,373	-	(51)	571	11,893
Buildings on third party land	5	-	-	-	5
Industrial plant and equipment	169	-	(1)	11	179
Other tangible fixed assets	300	-	(1)	14	313
<b>Property, plant and equipment</b>	<b>11,932</b>	<b>-</b>	<b>(54)</b>	<b>599</b>	<b>12,478</b>
<b>Fixed assets in progress</b>	<b>998</b>	<b>924</b>	<b>-</b>	<b>(630)</b>	<b>1,292</b>
<b>Advances on fixed assets suppliers</b>	<b>23</b>	<b>10</b>	<b>-</b>	<b>(11)</b>	<b>22</b>
<b>TOTAL</b>	<b>13,218</b>	<b>934</b>	<b>(57)</b>	<b>(11)</b>	<b>14,084</b>

## Main investments during the year:

The investments made during 2018 amount to €924 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 luggage security under satellites S3 and S4 of terminal 2E,
- ◆ the ongoing renovation of Terminal 2B and its link with terminal 2D,
- ◆ preparatory works for the construction of the CDG Express,
- ◆ construction of the link between the international satellites of Terminal 1,
- ◆ completion of the new registered office and of the Baïkal office building,
- ◆ the purchase of hold baggage inspection equipment compliant with standard 3 of the European regulations,
- ◆ the upgrading of restrooms,
- ◆ extension of the India areas,
- ◆ restyling of Hall L in Terminal 2E,
- ◆ signposting,
- ◆ the redesign of the Hall L shops in Terminal 2E,
- ◆ compliance work on the rainwater treatment systems,
- ◆ the refurbishment of the aircraft traffic intersection between taxiways BD1/B/BM4 in the northwest section of the airport,
- ◆ installation of Visual Docking Guidance Systems and information screens (timers) for the pilots and runway personnel,
- ◆ restoration of the CDG1 RER station at Roissy-pôle;

### ◇ at Paris-Orly Airport:

- ◆ further work of construction for the junction building between the South and West terminals,
- ◆ compliance upgrading of the East baggage sorting facilities in the South terminal,
- ◆ the Orly Ouest Hall 1 extension,
- ◆ preparatory works for the renovation of runway 3,
- ◆ renewal of waterproofing and strengthening of bridge no. 2 under runway 3,
- ◆ restructuring of Hall B in Orly Sud,
- ◆ extension work to the Golf areas and compliance work on the LGN-LJS turn,
- ◆ creation of a taxi operating base,
- ◆ standard 3 baggage inspection equipment compliant with European standards, 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 Avenirais in Paris-Orly,
- ◆ standard-compliant 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,
- ◆ preparatory work before the construction of the future Grand Paris station,
- ◆ construction of a building for PC Aires and PC Neige and for the Process Avion operating teams,
- ◆ the upgrading of restrooms,
- ◆ construction of a management and operational command centre (CPCO or APOC),
- ◆ creation of a new retail area in the international departures zone at Orly South;

◇ investments for the Aéroports de Paris-Le Bourget airport have focused mainly on an AFMAE apprentice training centre.

In 2018, Aéroports de Paris SA made significant investments in its support functions and projects common to the platforms, and IT.

## Main Disposals:

The net amount of transfers from other items mainly concerns reclassifications from Fixed assets in progress to Property, plant and equipment. This reclassification focuses in particular on the following implemented items:

- ◇ the departures luggage sorter beneath Hall L of CDG 2 (TDS3);
- ◇ the Baïkal office building at Paris-Charles de Gaulle;
- ◇ the Orly Ouest Hall 1 extension;
- ◇ preparatory works for the renovation of terminal 2B and its junction with terminal 2D in Paris-Charles de Gaulle;
- ◇ the relocation of the taxi operating base at Paris-Charles de Gaulle and redesign of its access;
- ◇ the upgrading of the restrooms at both platforms;
- ◇ partial commissioning following the redesign of the shops in Hall K of Terminal 2E at Paris-Charles de Gaulle;
- ◇ the renovation of roads and aviation areas in the cargo zone of Paris-Charles de Gaulle;
- ◇ the taxi operating base at Paris-Orly;
- ◇ the partial commissioning of renovated building 5720 at Paris-Charles de Gaulle.

## Depreciations and Amortisations

<i>(in millions of euros)</i>	As at 31 Dec., 2017	Increase	Decrease	As at 31 Dec., 2018
Concessions and similar rights, patents, licences, brands, procedures, and similar rights and values	(202)	(20)	3	(219)
<b>Intangible assets</b>	<b>(202)</b>	<b>(20)</b>	<b>3</b>	<b>(219)</b>
Land development	(19)	(1)	-	(21)
Buildings	(5,711)	(404)	40	(6,075)
Buildings on third party land	(5)	-	-	(5)
Industrial plant and equipment	(111)	(10)	1	(120)
Other tangible fixed assets	(166)	(17)	1	(181)
<b>Property, plant and equipment</b>	<b>(6,012)</b>	<b>(432)</b>	<b>42</b>	<b>(6,403)</b>
<b>TOTAL</b>	<b>(6,214)</b>	<b>(452)</b>	<b>45</b>	<b>(6,621)</b>



## Revaluation of fixed assets

Certain fixed assets were revalued as part of the legal revaluations in 1959 and 1976.

<i>(in millions of euros)</i>	Revalued values			Depreciation of the revaluation difference		Net revaluation difference (6) = (2) - (5)
	Gross value (1)	Increase in gross value (2)	Total (3) = (1)+(2)	Exercise (4)	Cumulative (5)	
Land	19	23	41			23
<b>Non-depreciable fixed assets</b>	<b>19</b>	<b>23</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>23</b>
Land development	1	-	1			-
Buildings	306	273	578	1	269	4
<b>DEPRECIABLE FIXED ASSETS</b>	<b>306</b>	<b>273</b>	<b>580</b>	<b>1</b>	<b>269</b>	<b>4</b>
<b>TOTAL</b>	<b>325</b>	<b>296</b>	<b>621</b>	<b>1</b>	<b>269</b>	<b>27</b>

The revaluation difference on non-depreciable fixed assets is found in equity in the amount of €23 million, as at 31 December 2018.

## 6.2 Financial assets

### Book Value

<i>(in millions of euros)</i>	As at 31 Dec., 2017	Increase	Decrease	Fusion	As at 31 Dec., 2018
Share investments	1,328	15	-	16	1,359
Receivables from to share investments	92	14	(23)	-	83
Loans	8	-	(1)	-	7
Other financial assets	55	21	(4)	-	72
<b>TOTAL</b>	<b>1,483</b>	<b>50</b>	<b>(28)</b>	<b>16</b>	<b>1,521</b>

The main variations relate to:

The Cœur d'Orly Investissement capital increase of €31 million, of which €16 million via a current account contribution.

The change in "Receivables from share investments" is mainly due to new loans to our subsidiaries: €8 million for ADP Immobilier Tertiaire and €5 million for EPIGO, and the collection in 2018 of the dividends

receivable for the 2017 financial year. The €23 million decrease relates to the dividends receivable from TANK Alpha at 31 December 2017 received in 2018.

The change in other financial assets corresponds to the subscription to two new investment funds, i.e., €10 million for CATHAY II and €7 million for WHITE STAR.

### Depreciation

See Note 4.7 Depreciation of long-term assets

Impairments of securities amounted to €63 million of which:

<i>(in millions of euros)</i>	As at 31 Dec., 2017	Increase	Decrease	As at 31 Dec., 2018
TANK ÖWC beta GmbH	(28)	-	-	(28)
SAS Cœur d'Orly Investissement	(11)	(17)	11	(17)
EPIGO	(6)	(3)	-	(9)
ADP Immobilier	(1)	-	-	(1)
TANK ÖWA alpha GmbH	(3)	-	3	-
ADP International	-	(8)	-	(8)
Other	(1)	-	-	(1)
<b>TOTAL</b>	<b>(50)</b>	<b>(27)</b>	<b>14</b>	<b>(63)</b>

## Table of subsidiaries and shareholdings

(in millions of euros)	Share capital	Other equity <sup>1</sup>	Share of capital held by ADP in %	Book value of shares hold		Unrefunded loans and advances granted by ADP	Guarantees given by ADP	Revenue excluding VAT	Profit/loss for the period	Dividends received by ADP
				Gross	Net					
<b>Subsidiaries</b>										
ADP International - France <sup>1</sup>	112	-	100%	119	111	-	14	13	(31)	-
ADP Invest - France <sup>1</sup>	-	-	100%	1	1	-	-	-	-	-
ADP Invest 1 - France <sup>1</sup>	16	(1)	100%	16	16	-	-	-	(1)	-
Hub One - France <sup>1</sup>	41	43	100%	41	41	-	-	89	3	2
SAS Cœ-ur d'Orly Investissement - France <sup>1</sup>	24	1	100%	42	25	-	-	-	1	-
ADP Immobilier - France	66	26	100%	93	93	6	-	-	-	-
TANK ÖWA alpha GmbH - France	-	659	100%	625	625	-	-	-	36	37
TANK ÖWC beta GmbH - France	-	9	100%	38	10	-	-	-	-	-
<b>Other investments between 10% and 50%</b>										
ADPLS Présidence - France	-	-	50%	-	-	-	-	-	-	-
Média ADP - France	2	11	50%	1	1	-	-	59	5	2
Société de distribution aéroportuaire - France	1	9	50%	1	1	5	-	742	1	-
EPIGO - France	1	(5)	50%	6	-	5	-	69	(4)	-
EPIGO Présidence - France	-	-	50%	-	-	-	-	-	-	-
Relay@adp - France	3	8	49%	1	1	-	-	96	7	3
SCI Roissy Sogaris - France	6	2	40%	2	2	-	-	-	-	-
SAS CHENUE LE BOURGET - France	1	-	40%	-	-	-	-	-	-	-
CDG Express Études - France	-	-	33%	-	-	-	-	-	-	-
Hub Safe - France	-	-	20%	2	2	-	-	-	-	-
Egidium - France	-	1	20%	1	1	-	-	-	-	-
Schiphol Group - Pays-Bas	85	3,985	8%	370	370	-	-	-	-	12
<b>Other investments</b>										
CCS France - France	-	-	20%	-	-	-	-	NC	NC	-
PACIFA - France	-	-	12%	1	1	-	-	-	-	-
IDF Capital - France	20	-	1.35%	-	-	-	-	NC	NC	-
Civi.Pol Conseil - France	2	-	1.03%	-	-	-	-	NC	NC	-
<b>TOTAL</b>				<b>1,359</b>	<b>1,300</b>	<b>16</b>	<b>14</b>			<b>56</b>

<sup>1</sup> Consolidated subsidiaries.



### 6.3 Operating receivables

(in millions of euros)

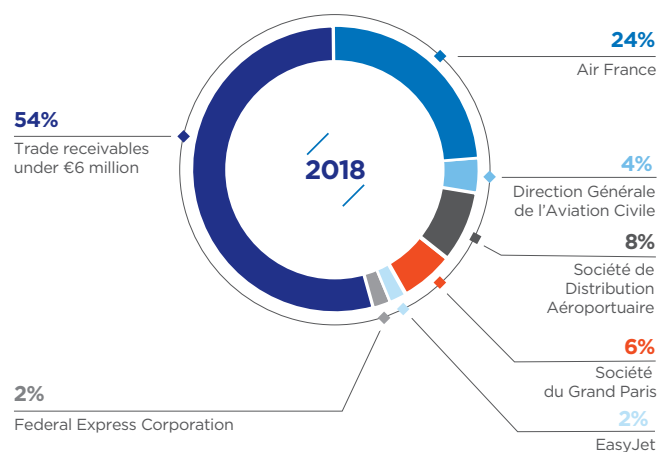
	As at 31 Dec., 2018	As at 31 Dec., 2017
<b>Trade receivables and related accounts</b>	<b>412</b>	<b>420</b>
Staff costs and related accounts	-	3
Taxes other than income taxes	52	117
Current accounts	738	187
Other debtors	59	10
<b>Other receivables</b>	<b>848</b>	<b>316</b>
<b>TOTAL</b>	<b>1,260</b>	<b>736</b>

#### Main trade receivables at year-end

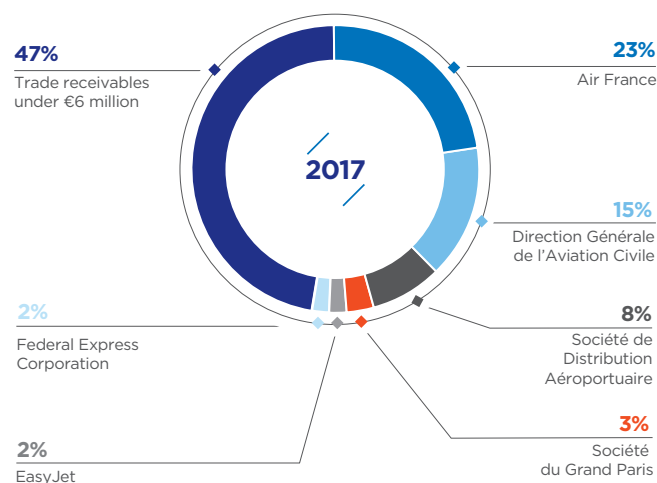
(in millions of euros)

	As at 31 Dec., 2018	As at 31 Dec., 2017
Air France	98	98
Direction Générale de l'Aviation Civile	17	62
Société de Distribution Aéroportuaire	34	33
Société du Grand Paris	25	13
Easy Jet	10	7
Federal Express Corporation	7	9
Trade receivables of less than €6 million	222	199
<b>TOTAL</b>	<b>412</b>	<b>420</b>

#### Breakdown of operating receivables 2018



#### 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., 2018	As at 31 Dec., 2017
TANK ÖWA alpha GmbH	447	134
ADP International	238	1
SAS Coeur d'Orly Investissement	9	23
ADP Ingénierie	8	2
TANK ÖWC beta GmbH	-	-
ADP Invest	7	2
<b>Fully Consolidated Subsidiaries</b>	<b>708</b>	<b>162</b>
Société de distribution aéroportuaire	21	15
EPIGO	-	3
SCI ROMEO	1	-
CDG Express Études	6	6
Other	3	1
<b>Associates and joint ventures</b>	<b>30</b>	<b>25</b>
<b>TOTAL</b>	<b>738</b>	<b>187</b>

Aéroports de Paris SA increased the cash advances to the subsidiaries TANK ÖWA alpha GmbH and ADP International for the following transactions:

- ◆ the setting up of a loan for TANK ÖWA alpha GmbH in the amount of €300 million for its subsidiary TAV Airport;
- ◆ increase by ADP International of its equity investment in the capital of with Airport International Group.

## Depreciation of current assets

The depreciation of current assets amounted to €22 million:

<i>(in millions of euros)</i>	As at 31 Dec., 2018	As at 31 Dec., 2017
Trade receivables and related accounts	(21)	(16)
Other receivables	(1)	-
Current accounts	-	(8)
<b>TOTAL</b>	<b>(22)</b>	<b>(24)</b>

## Maturity structure of receivables

The table below presents, for each type of receivable, the remaining duration for that the receivable to become payable:

<i>(in millions of euros)</i>	Gross Amount	Payment		
		<1 year	1 to 5 years	>5 years
Receivables from to share investments	83	6	27	50
Loans	8	2	3	3
Other capitalised receivables	4	4	-	-
<b>Receivables from fixed assets</b>	<b>95</b>	<b>12</b>	<b>30</b>	<b>53</b>
Trade receivables and related accounts	412	412	-	-
Other receivables	848	848	-	-
<b>Receivables from current assets</b>	<b>1,260</b>	<b>1,260</b>	<b>-</b>	<b>-</b>
<b>Prepaid expenses</b>	<b>29</b>	<b>21</b>	<b>5</b>	<b>3</b>
<b>TOTAL</b>	<b>1,384</b>	<b>1,293</b>	<b>35</b>	<b>56</b>

## 6.4 Marketable securities and cash

<i>(in millions of euros)</i>	As at 31 Dec., 2018	As at 31 Dec., 2017
Marketable securities	1,289	1,404
<i>Of which Treasury shares</i>	1	1
Cash	130	117
<b>TOTAL</b>	<b>1,418</b>	<b>1,521</b>

The short-term investments of Aéroports de Paris SA consist in investment funds (SICAV).

## 6.5 Prepaid expenses and deferred income

The Prepaid expenses amount to €29 million and consist mainly of items relating to:

- ◇ insurance contracts subscribed;
- ◇ the prepayment of leases for the use of the networks built by Réseau de Transport d'Electricité (RTE) at the Roissy Charles de Gaulle airport

which they still own. The leases are spread over the period of use of the infrastructure by Aéroports de Paris SA.

### Deferred income

Deferred income totaled €155 million at year-end 31 December 2018 mostly made of rents paid in advance.

## 6.6 Bond redemption premiums

<i>(in millions of euros)</i>	Assets	Liabilities
Bonds issued	16	-

Details of loan premiums are presented in Note 6.9.

## 6.7 Shareholders' equity

<i>(in millions of euros)</i>	As at 31 Dec., 2017	Increase	Decrease	Allocation of income	As at 31 Dec., 2018
Share capital	297	-	-	-	297
Premiums	543	-	-	-	543
Revaluation difference	23	-	-	-	23
Legal reserve	30	-	-	-	30
Other reserves	839	-	-	-	839
Retained earnings	1,193	-	-	163	1,356
Profit/loss for the period	506	564	-	(506)	564
Interim dividend	(70)	70	(69)	-	(69)
Investment grants	49	1	(2)	-	48
Regulated provisions	1,173	100	(79)	-	1,194
<b>TOTAL</b>	<b>4,583</b>	<b>665</b>	<b>(151)</b>	<b>(343)</b>	<b>4,823</b>

At 31 December 2018, the Company's capital amounted to €296,881,806, divided into 98,960,602 shares with a nominal value of €3.

The equity of Aéroports de Paris SA amounted to €4,823 million.

In accordance with the decision of the Combined General Meeting of 4 May 2018, a dividend of €2.76 per share was paid out on 5 June 2018, representing a total of €342,372,020.

## 6.8 Provisions

<i>(in millions of euros)</i>	As at 31 Dec., 2017	Additions	Reversals	As at 31 Dec., 2018
Other provisions for risks	20	-	(12)	8
Provisions for litigation	14	5	(6)	14
<b>Provisions for risks</b>	<b>34</b>	<b>6</b>	<b>(18)</b>	<b>22</b>
Provisions for taxes	-	-	-	-
Provisions for restructuring	20	1	(15)	6
Provisions for employee benefit obligations	375	13	(15)	373
Other provisions for charges	1	-	-	1
Provisions for exchange losses	-	-	-	-
<b>Provisions for expenses</b>	<b>397</b>	<b>14</b>	<b>(30)</b>	<b>381</b>
<b>TOTAL</b>	<b>431</b>	<b>20</b>	<b>(48)</b>	<b>403</b>

### Provisions for employee benefit obligations

Aéroports de Paris SA 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 SA, 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 SA' financial contribution;
- ◇ of a steady increase in medical costs covered by mutual health insurance, which has a knock-on effect on Aéroports de Paris SA' 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 SA has opted for the “Fillon tax” on premiums paid on the insurance provider's collective funds (24%) for the defined benefits scheme, and the pension tax paid by the insurance provider (32% for liquidations that took place from 1 January 2013) for other schemes.

The main risk involved is 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; Expected by Ordonnance within 12 months from the enactment of the PACTE law – would lead to a significant increase in the commitment of Aeroport de Paris SA.

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 and of differential type for a majority of the beneficiaries of the PARDA scheme. 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	Health cover	Aviation industry long service medals	Total
Actuarial value of obligation at opening	303	11	75	49	2	439
Interest costs	16	2	3	-	-	22
Service costs for the period	5	-	1	1	-	7
Services provided	(6)	(1)	(5)	(3)	-	(15)
Reduction/curtailment	2	-	-	-	-	2
Actuarial gain or loss	5	3	2	1	-	11
<b>Actuarial value of obligation at closing</b>	<b>323</b>	<b>15</b>	<b>75</b>	<b>47</b>	<b>2</b>	<b>462</b>
Deferred actuarial difference on balance sheet	(48)	3	(48)	4	-	(88)
Market value of assets at closing	-	-	1	-	-	1
Past service costs	-	-	-	-	-	-
<b>Liabilities recognized in the balance sheet</b>	<b>275</b>	<b>18</b>	<b>28</b>	<b>51</b>	<b>2</b>	<b>373</b>
Discount expenses	5	-	1	1	-	7
Amortisation of actuarial gains/losses	1	(1)	3	(16)	-	(13)
Service costs for the period	16	2	3	-	-	21
Past service costs	(3)	-	(1)	-	-	(4)
Reduction/curtailment	2	-	-	-	-	2
<b>EXPENSE FOR THE PERIOD</b>	<b>21</b>	<b>1</b>	<b>7</b>	<b>(15)</b>	<b>-</b>	<b>13</b>

## 6.9 Financial debts

### Changes in financial debts

<i>(in millions of euros)</i>	As at 31 Dec., 2017	Increases	Decreases	As at 31 Dec., 2018
Bonds	4,200	502	-	4,702
Loans from credit institutions	517	250	(100)	667
Other loans	5	1	(1)	4
Deposits, estimated fees and deposits received	15	6	(5)	17
Accrued interest on loans	69	72	(69)	72
<b>TOTAL</b>	<b>4,806</b>	<b>830</b>	<b>(175)</b>	<b>5,462</b>

The proceeds from long-term debt consist primarily of €753 million in loans minus €4 million in bond redemption premiums and an increase of €6 million in deposits received.

Accrued interest on loans stood at €72 million, including:

<i>(in millions of euros)</i>	
Accrued interest on bonds	68
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	-
ADP EUR 500 M 2012-2024	500	3.13%	500	-	-	500	2
ADP EUR 600 M 2013-2028	600	2.75%	600	-	-	600	4
ADP EUR 500 M 2014 -2028	500	1.50%	500	-	-	500	3
ADP EUR 500 M 2015 -2023	500	1.50%	500	-	-	500	1
ADP EUR 500 M 2017 -2027	500	1.00%	500	-	-	500	2
ADP EUR 500 M 2018 -2038	-	2.13%	-	-	500	500	4
AMUNDI EUR 2 M 2018-2023	-	0.95%	-	-	2	2	-
<b>Bonds</b>	<b>4,200</b>		<b>4,200</b>	<b>-</b>	<b>502</b>	<b>4,702</b>	<b>16</b>
BEI EUR 100 M 2003-2018	100	Eur 3M + margin	100	(100)	-	-	-
BEI EUR 220M 2004-2019	220	Eur 3M + margin	220	-	-	220	-
BEI EUR 30 M 2004-2019	30	Eur 3M + margin	30	-	-	30	-
BEI EUR 130 M 2005-2020	130	Eur 3M + margin	130	-	-	130	-
DEUTSCHE Bank EUR 37 M 2010-2020	37	4.125%	37	-	-	37	-
BEI EUR 250 M 2018-2038	-	Eur 3M + marge	-	-	250	250	250
<b>Loans from credit institutions</b>	<b>517</b>		<b>517</b>	<b>(100)</b>	<b>250</b>	<b>667</b>	<b>-</b>
<b>Other loans</b>	<b>5</b>		<b>5</b>	<b>(1)</b>	<b>-</b>	<b>4</b>	<b>-</b>
<b>TOTAL</b>	<b>4,722</b>		<b>4,722</b>	<b>(101)</b>	<b>752</b>	<b>5,373</b>	<b>16</b>

## Swaps on bonds

Initial date of swap <i>(in millions of euros)</i>	Duration	Amount	Fair value	Repayments made		Repayments received	
				Rate	These adjustments relate mainly to the depreciation of intangible assets (concession agreements, customer relationship)	Rate	Income
	10 years	100	10	Eur 3M + margin	-	Fixed	4
	10 years	100	10	Eur 3M + margin	-	Fixed	4
	9 years	100	(6)	Fixed	(3)	Eur 3M + margin	-
	9 years	100	(6)	Fixed	(3)	Eur 3M + margin	-
<b>TOTAL SWAPS RELATING TO BONDS</b>		<b>400</b>			<b>(6)</b>		<b>8</b>



## 6.10 Trade payables and tax and employee-related liabilities

<i>(in millions of euros)</i>	<b>As at 31 Dec., 2018</b>	<b>As at 31 Dec., 2017</b>
<b>Trade payables</b>	<b>118</b>	<b>126</b>
Staff costs and related accounts	211	210
Taxes other than income taxes	58	40
<b>Tax and employee-related liabilities</b>	<b>269</b>	<b>250</b>
<b>TOTAL</b>	<b>387</b>	<b>376</b>

## 6.11 Other liabilities

<i>(in millions of euros)</i>	<b>As at 31 Dec., 2018</b>	<b>As at 31 Dec., 2017</b>
<b>Debts on fixed assets and related accounts</b>	<b>321</b>	<b>238</b>
Current accounts	46	95
Customer accounts payable	24	18
Various accounts payables	23	22
<b>Other debts</b>	<b>93</b>	<b>135</b>
<b>TOTAL</b>	<b>414</b>	<b>373</b>

### Current accounts

Current accounts, presented in other liabilities, break down follows:

<i>(in millions of euros)</i>	<b>As at 31 Dec., 2018</b>	<b>As at 31 Dec., 2017</b>
ADP international	-	43
TANK ÖWA alpha GmbH	-	22
Hub One	12	17
TANK ÖWC beta GmbH	9	9
ADP Invest 1	8	-
SAS Coeur d'Orly Investissement	6	-
ADP Immobilier Tertiaire	4	-
SCI Ville Aéroportuaire Immobilier 1	2	-
Média ADP	2	2
Hôtels aéroportuares	2	-
ADP Ingénierie	2	1
<b>FULLY CONSOLIDATED SUBSIDIARIES</b>	<b>46</b>	<b>95</b>

Current accounts decreased by €49 million compared to and is related primarily to ADP International in the amount of €43 million.

## 6.12 Schedule of debt payments

The table below presents, for each type of payable, the remaining duration for debt to become payable:

<i>(in millions of euros)</i>	<b>Gross Amount</b>	<b>Payment</b>		
		<b>&lt;1 year</b>	<b>1 to 5 years</b>	<b>&gt;5 years</b>
Bonds	4,702	300	1,802	2,600
Loans from credit institutions	667	263	217	188
Loans and other financial liabilities	93	74	2	17
<b>Financial debt</b>	<b>5,462</b>	<b>636</b>	<b>2,021</b>	<b>2,804</b>
Trade payables	118	118	-	-
Tax and employee-related liabilities	269	269	-	-
<b>Operating liabilities</b>	<b>387</b>	<b>387</b>	<b>-</b>	<b>-</b>
Debts on fixed assets and related accounts	321	303	18	-
Other debts	93	93	-	-
<b>Other payables</b>	<b>414</b>	<b>396</b>	<b>18</b>	<b>-</b>
<b>Deferred income</b>	<b>155</b>	<b>97</b>	<b>59</b>	<b>-</b>
<b>TOTAL</b>	<b>6,418</b>	<b>1,516</b>	<b>2,098</b>	<b>2,804</b>

## 6.13 Accrued expenses and revenue to be received by balance sheet item

<b>Assets</b> <i>(in millions of euros)</i>	<b>As at 31 Dec., 2018</b>	<b>Liabilities</b> <i>(in millions of euros)</i>	<b>As at 31 Dec., 2018</b>
		Bonds	70
Other financial assets	4	Loans from credit institutions	1
<b>Fixed assets</b>	<b>4</b>	<b>Financial debt</b>	<b>72</b>
Trade receivables and related accounts	142	Trade payables	110
Other receivables	48	Tax and employee-related liabilities	196
<b>Current assets</b>	<b>190</b>	<b>Operating liabilities</b>	<b>306</b>
		Debts on fixed assets and related accounts	265
		<b>Other payables</b>	<b>265</b>
<b>TOTAL</b>	<b>194</b>	<b>TOTAL</b>	<b>642</b>



## NOTE 7 NOTES TO THE CASH FLOW STATEMENT

### 7.1 Change in working capital

<i>(in millions of euros)</i>	2018	2017
<b>Change in inventories</b>	<b>(2)</b>	<b>1</b>
Accounts receivable	25	37
Customers - doubtful accounts	(3)	3
Customers - invoice to be established	(14)	(1)
Tax receivable other than income taxes	7	13
Depreciation of receivable accounts	6	(3)
Other	(47)	2
<b>Total trade and other receivables</b>	<b>(27)</b>	<b>52</b>
Trade payables	6	(40)
Staff	-	(10)
Social security expenses	(3)	-
Tax liabilities excluding income taxes	(2)	(1)
Accrued liabilities	-	(4)
Deferred income	(7)	4
Employees' profit sharing	(6)	(2)
Other	-	4
<b>Total trade and other payables</b>	<b>(12)</b>	<b>(50)</b>
<b>CHANGE IN WORKING CAPITAL</b>	<b>(40)</b>	<b>3</b>

Other debtors, in the amount of -€47 million, include CDG Express for €38 million, SNCF Réseau for €6 million and €3 million for assistance to local residents.

### 7.2 Acquisition of participation

<i>(in millions of euros)</i>	2018	2017
ADP Ingénierie	-	11
ADP Immobilier Tertiaire	-	17
SAS Coeur d'Orly Investissement	15	-
Other	17	22
<b>ACQUISITION OF SUBSIDIARIES AND INVESTMENTS IN OTHER ENTITIES</b>	<b>31</b>	<b>50</b>

Aéroports de Paris SA has subscribed to two new investment funds: €10 million for CATHAY II and €7 million for White Star.

### 7.3 Change in other financial assets

The €579 million change in other financial assets is the result of:

- ◆ the change in cash advances in the amount of -€13 million, of which €8 million for ADP Immobilier Tertiaire and €5 million for EPIGO;
- ◆ the change in current account assets of -€567 million (see Note 6.3).

### 7.4 Dividends received

Aéroports de Paris SA received €79 million, of which €57 million in dividends for the year and €22 million for the previous year.

## 7.5 Cash & cash equivalents at the end of period

<i>(in millions of euros)</i>	2018	2017
Cash and cash equivalents	1,418	1,520
Bank overdrafts <sup>1</sup>	-	-
<b>NET CASH (AS SHOWN IN THE CASH FLOW STATEMENT)</b>	<b>1,418</b>	<b>1,520</b>

<sup>1</sup> Included in Current liabilities short term debt.

## NOTE 8 OFF BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

### Off balance sheet commitments

<i>(in millions of euros)</i>	As at 31 Dec., 2018	As at 31 Dec., 2017
Guarantees	16	2
First demand guarantee	2	4
Acquisition of capital assets	914	845
Other	69	123
<b>COMMITMENTS GRANTED</b>	<b>1,001</b>	<b>975</b>
Guarantees	80	59
First demand guarantee	158	174
Other	3	-
<b>COMMITMENTS RECEIVED</b>	<b>241</b>	<b>233</b>

Guarantees correspond mainly to guarantees on loans to employees, as well as guarantees granted by Aéroports de Paris SA on behalf of ADP Ingénierie and ADP International for the benefit of various customers of these subsidiaries.

Guarantees on first demand have only been given by the ADP Ingénierie and ADP International subsidiaries as part of the execution of their international contracts.

Other commitments made in the amount of €69 million consist of €64 million in support for Société Concessionnaire Nuevo Pudahuel (Chile) and €5 million as a liabilities guarantee for SAMCIC.

Aéroport de Paris SA, as lessor, shall receive the following minimum payments on the lease agreements in force as at 31 December: (in millions of euros):

<i>(in millions of euros)</i>	Total	< 1 an	1 à 5 ans	> 5 ans
Minimum future payments to be received	3,188	252	961	1,975

The minimum future payments to be paid by Aéroports de Paris SA, for vehicle and real estate lease agreements in force as at 31 December, are as follows:

<i>(in millions of euros)</i>	Total	< 1 an	1 à 5 ans	> 5 ans
Minimum future payments payable	74	7	28	39

## 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 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 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 Investissements

The hearing before the Administrative Court of Appeal of Paris took place on 1 April. The public rapporteur concluded that the Court should reject JSC's claim and that it should order JSC to pay €1,500 to ADP in respect of article L. 761-1 of the Administrative Justice Code. The ruling will not be rendered before the end of April 2019.

## NOTE 9 REMUNERATION AND HEADCOUNT

### 9.1 Remuneration allocated to members of administrative and management bodies

<i>(in thousands of euros)</i>	<b>As at 31 Dec., 2018</b>	<b>As at 31 Dec., 2017</b>
Remuneration	4,088	4,521
Employer's social security contributions	1,602	1,925
Attendance fees	186	213
<b>TOTAL</b>	<b>5,876</b>	<b>6,659</b>

### 9.2 Employment details

The table below gives a breakdown of the workforce (present, on unpaid leave and on secondment).

<b>Categories</b>	<b>As at 31 Dec., 2018</b>	<b>As at 31 Dec., 2017</b>	<b>Change</b>	<b>Percentage</b>
Executives (excluding CEO and COO)	1,365	1,340	25	2%
Supervisors and technicians	4,422	4,508	(86)	(2)%
Enforcement agents	562	587	(25)	(4)%
<b>TOTAL</b>	<b>6,349</b>	<b>6,435</b>	<b>(86)</b>	<b>(1)%</b>

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## 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;
- ◇ the agreements concluded with the French State and State-owned holding companies, associated companies and joint-venture companies over which Aéroports de Paris SA exercises significant influence and joint control, respectively.

### 10.2 Remuneration of principal senior directors

The main corporate officers at Aéroports de Paris SA are: the Chairman & Chief Executive Officer, the members of the Executive Committee and the directors appointed by the General Meetings of Shareholders.

This compensation amounts to €5.9 million in 2018 in comparison to €6.7 million in 2017. This compensation includes short-term employee benefits (fixed and variable salary and benefits in kind), as well as employer contributions and attendance fees (see Note 9).

## RELATIONS WITH VINCI

The most significant transactions with Vinci are related to the construction of a connecting building between the West and South terminals of Paris-Orly Airport.

### Relations with the French State and State shareholdings

#### RELATIONS WITH THE FRENCH STATE

The French State held 50.6% of the capital of Aéroports de Paris SA and 58.6% of the voting rights as at 31 December 2018. The State is entitled to control decisions that require approval by the shareholders, in the same way as any majority shareholder.

The public authorities exercise control over Aéroports de Paris SA with regard to its status as a public company and with regard to its public service duties.

As a result, agreements are regularly concluded with the French State.

The most significant agreements are listed below:

- ◆ the Economic Regulation Agreement relating to the 2016-2020 signed on 31 August 2015;
- ◆ relations with the *Direction Générale de l'Aviation Civile* (DGAC) – the conducting of public service duties such as security, air transport safety and aircraft rescue and fire-fighting services is assigned to Aéroports de Paris SA. The costs incurred in the performance of these duties are invoiced to *Direction Générale de l'Aviation Civile* (DGAC), which covers these costs through the airport tax charged to airlines. In 2018, revenues linked to airport security and safety amounted to €499 million (€487 million in 2017). At 31 December 2018, the receivable from the DGAC amounted to €17 million (€62 million at 31 December 2017);
- ◆ 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 LA 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 West and South 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. Two agreements have been signed between Aéroports de Paris SA and Société du Grand Paris for this purpose:

- ◆ an indemnity agreement signed on 9 January 2015, whereby Société du Grand Paris will compensate Aéroports de Paris SA for the additional costs it has to bear in the context of the construction of the future connecting building due to the fact that two tunnels, for metro station 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 two metro lines and airport facilities. Aéroports de Paris SA is named as the sole project manager 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 final provisional cost of the construction works, the amount of indemnities to be paid to Aéroports de Paris SA for the losses and additional costs related to the buildings affected by the construction of the metro station, and the allocation of the tasks between the parties.

Furthermore, two additional agreements were signed with SGP in July and September 2017, concerning compensation for feasibility studies in relation to potential modifications to airport structures at Paris-Charles de Gaulle and Le Bourget Airports to be carried out by Aéroports de Paris SA on behalf of SGP.

#### 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 for the rental of land and buildings around the airports.

### Relations with joint control companies or those with significant influence

Aéroports de Paris SA 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 signed under normal market conditions.

## NOTE 11 SUBSEQUENT EVENTS

### Approval of 2019 airport fees tariffs

Aéroports de Paris SA takes note of the decision n°1810-D2 of 6 February 2019 of the Independent Supervisory Authority to approve the airport charges applicable for the 2019-2020 tariff period<sup>1</sup>. These tariffs will come

into force from 1 April 2019 and will be up by 1.0% for Paris-Charles de Gaulle and Paris-Orly airports and 3.52% for Paris-Le Bourget airport.

<sup>1</sup> With the exception of fees for assistance to disabled passengers and passengers with reduced mobility already approved with the decision n°1810-D1 of 11 January 2019.



## 20.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Aéroports de Paris

Year ended 31 December, 2018

*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 the 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 Annual General Meeting of Aéroports de Paris,

### I. Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Aéroports de Paris for the year ended 31 December, 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

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 engagement in compliance with independence rules applicable to us, for the period from 1 January, 2018 to the date of our report and specifically 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 (*Code de déontologie*) for Statutory Auditors.

### II. 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 inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed 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, and we do not provide a separate opinion on specific 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 2018, the revenue related to airport safety and security amounted to M€ 499. Aéroports de Paris receives revenue in 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 for 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 were incurred with respect to these missions, as certain types of costs may not be exclusive to the missions, mainly certain leasing expenses, certain depreciation, amortization and maintenance charges, and taxes other than income taxes.

We consider the valuation of revenue related to airport safety and security to be a key audit matter given the amounts at stake, and the fact that it is based on the reliability of the keys used to allocate the costs incurred.

#### Our response

The works we conducted consisted mainly in:

- ◆ familiarizing ourselves with the internal control procedures 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 included in our audit team.

We also:

- ◆ for each type of cost, relying on the Company's analyses, assessed the difference between the year-end actual cost, the budget and the comparative period;
- ◆ conducted a critical review of the security mission costs recorded for the airport safety and security scope by examining, based on a sample, their eligibility for refunding by the DGAC, as defined by the applicable regulations.

### Valuation of property, plant, equipment

(see notes 4.5 and 6.1 "Property, plant, equipment and intangible assets")

#### Risk identified

As at 31 December, 2018, the net carrying amount of property, plant, equipment stood at M€ 6,075 (or 52% of total assets).

Under the 2016-2020 Economic Regulation Agreement (ERA) entered into with the French State, the Company is pursuing an investment

program within the regulated scope that must meet an investment budget amounting to M€ 2,978 for the period, as well as a deadline condition.

The assets are depreciated according to the methods set out in the notes to the financial statements. Their useful life is 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 consider the valuation of property, plant, equipment to be a key audit matter due to (i) significant value of property, plant, equipment in the Company's accounts, and (ii) the management's necessary judgements to estimate the useful life of depreciable assets, which involves a specific and complete identification of assets whose renewal is planned in the short or medium term.

#### Our response

Our works consisted mainly in familiarizing ourselves with 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 or medium term.

We have also, using sampling method:

- ◇ compared the useful lives applied with the expected useful lives, as resulting from the investment and continuation program of the existing assets;
- ◇ examined the accounting documentation for the assets whose depreciation term has changed over the year;
- ◇ conducted a critical review of the residual values of assets likely to be replaced under the 2016 -2020 investment program.

### Valuation of equity interests

(see notes 4.6 and 6.2 "Financial assets")

#### Risk identified

Equity securities amounted to M€ 1,359 as at 31 December, 2018 (net value of M€ 1,296).

Equity securities are recorded on the balance at acquisition cost excluding expenses.

As indicated in Note 4.6 to the annual financial statements, your Company examines the value of equity securities at each year-end by referencing to 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's judgment in its choice of items to be considered. Such items may correspond, as the case may be, to historical items (equity or average stock market prices over the last month in particular), or forecast items (expected cash flows).

We consider the valuation of equity securities to be a key audit matter, given their importance on the balance sheet due to the management's judgment to estimate the value in use of these securities.

#### Our response

Our works consisted mainly in:

- ◇ examining and assessing the reasonableness of the valuation methods adopted by management to estimate values in use;
- ◇ comparing the date 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 taking into account the economic situation at year-end and the date of the preparation of the financial statements;
- ◇ verifying the arithmetical accuracy of the value in use calculations adopted by the Company for the choice of the main securities.

### III. Specific Verifications

We have also performed, in accordance with professional standards applicable in France, to the specific verifications required by French laws and regulations.

#### Information provided in the Management Report and in the Other Documents with respect to the financial position and the financial statements Provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest that the information relating to payment terms referred to in Article D. 441-4 of the French Commercial Code (*Code de commerce*) is fairly presented and consistent with the financial statements.

#### Report on Corporate Governance

We attest that the Board of Directors' Report on Corporate Governance sets out 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 these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a public purchase offer or exchange, provided pursuant to Article L. 225-37-5 of the French Commercial Code (*Code de commerce*), we have agreed these to the source documents communicated to us. Based on our work, we have no observations to make on this information.

#### Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders or holders of the voting rights has been properly disclosed in the management report.

### IV. Report on Other Legal and Regulatory Requirements

#### Appointment of the Statutory Auditors

DELOITTE & ASSOCIES and ERNST & YOUNG Audit were appointed as Statutory Auditors of Aéroports de Paris by the Annual General Meeting of May 18, 2015.

As at 31 December, 2018, DELOITTE & ASSOCIES and ERNST & YOUNG Audit were both in their fourth year of total uninterrupted engagement.

Previously, ERNST & YOUNG et Autres and ERNST & YOUNG Audit, members of the EY international network, previously were Statutory Auditors of your Company from 2009 to 2014 and 2003 to 2008, respectively.

## V. 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 operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

## VI. Statutory Auditors' Responsibilities for the Audit of the Financial Statements

### Objectives 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 the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- ◆ evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Report to the Audit and Risk Committee

We submit to the Audit and Risk Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. 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) No 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.

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Paris-La Defense, 4 March, 2019

The Statutory Auditors French original signed by

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

Olivier BROISSAND

Christophe PATRIER

Alban DE CLAVERIE

Alain PERROUX

## 20.5 PRO FORMA FINANCIAL DATA

Not applicable.

## 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 2017: €343 million or €3.46 per share, representing a payout ratio of 60% of net income;
- ◆ 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.

### Dividend distribution policy

The Annual General Meeting of Shareholders, held on 4 May 2018, voted to pay a dividend of 3.46 per share for financial year 2017, with an ex-dividend date of 8 June 2018. Given that the payment of the interim dividend (€0.70) on 8 December 2017, the dividend settlement (€2.76) was paid on 8 June 2018. This dividend corresponds to a payout ratio of 60% of the 2017 net income attributable to the Group, unchanged since 2013.

The Board of Directors of Aéroports de Paris has 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 2018 financial year, this interim dividend amounts to €69.28 million, i.e. €0.70 per share. The dividend payment of the interim dividend was made on 6 December 2018 and payment of the interim dividend for 2017 was made on 10 December 2018.

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-judicial 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.

The case was heard by the Paris Administrative Court of Appeal on 1 April 2019. The public rapporteur concluded that JSC's demand should be rejected and that it should pay ADP €1,500 under Article L. 761-1 of the French Administrative Justice Civil Code. The judgment is not expected before the end of April 2019.

## 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, the Tribunal de Grande Instance de Bobigny (Bobigny District Court) sentenced Aéroports de Paris to a fine of €225,000 for involuntary manslaughter and unintentional injury. Bureau Veritas was sentenced to a fine of €150,000 and GTM and INGEROP Conseil et Ingénierie were respectively sentenced to €100,000 for the same offences as indicated above. All the parties have until 22 March 2019 to appeal this decision.

## New registered office

For the construction notably of its new registered office at Paris-Charles de Gaulle airport, on 27 February 2015, Aéroports de Paris signed a contract with the business consortium comprising TAV TEPE AKFEN YATIRIM INSAAT VE ISLETME A.S (agent) and HERVE S.A.

As part of the dispute that opposes Aéroports de Paris to these two companies on the balance of the contract, on 25 March 2019, they respectively filed a summons before the Paris Tribunal de Grande Instance. Aéroports de Paris contests the merits of this summons, and the demands formulated. In parallel, mediation proceedings with the Company Mediator began on 27 March 2019. These proceedings are continuing.

## 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: The claimants withdrew their actions before the Administrative Court of Appeal of Paris. The Court acknowledged

this on 2 May 2018. 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 A.T. INC against the fee decision of Aéroports de Paris. By a decision of 17 January 2018, the final appeal lodged by the claimants was dismissed by the Council of State;

- ◇ 2016-2017: by a decree of 2 May 2018 the Administrative Court of Appeal of Paris, on the one hand, upheld the decision of the Administrative Court of Paris of 16 May 2017, by denying the appeal brought on 8 April 2016 by ASL (formerly Europe Airpost) and on the other, acknowledged the discontinuation of proceedings by Air Transat A.T. INC and XL AIRWAYS. ASL did not appeal;
- ◇ 2017-2018: on 12 April 2018, the Administrative Court of Paris rejected the appeal for abuse of power against the fee decision of Aéroports de Paris filed by ASL AIRLINES, XL Airways France and Air Transat A.T. INC, it being stated that the latter two had discontinued their proceedings. ASL AIRLINES did not appeal.
- ◇ ERA pricing clauses.

### Airport fees for 2017-2018

By two separate motions filed before the Council of State of 20 and 21 April 2017, the *Chambre Syndicale du Transport Aérien* (CSTA) and the *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.

By a decision of 1 June 2018, the Council of State rejected both appeals.

## 20.9 MATERIAL CHANGE IN FINANCIAL OR COMMERCIAL POSITION SINCE 31 DECEMBER 2018

Significant events occurring between the end of the 2018 financial year and 14 February 2019, 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 14 February 2019 and the date of filing of this Registration Document are included in Chapter 12 hereof.



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## ADDITIONAL INFORMATION ON THE SHARE CAPITAL AND PROVISIONS OF THE ARTICLES OF ASSOCIATION <sup>AFR</sup>

### 21.1 INFORMATION ON THE SHARE CAPITAL

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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 2018. 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 11 May 2017 (between 1 January and 3 May 2018) and that of 4 May 2018 (between 5 May and 31 December 2018), 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 2018 was €255, excluding acquisition costs, under the liquidity contract, and €210, 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 11 May 2017 and 4 May 2018

As at 5 April 2019, Aéroports de Paris did not hold any treasury shares. The contract liquidity account had a credit balance of €17,511,213.96, 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.

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### Transactions relating to treasury shares carried out within the framework of the liquidity contract between 4 May 2018 and 5 April 2019

Cumulative gross flows	Number of shares	Average price (in euros)	Valuation (in euros)
Number of shares at 4 May 2018	0		
Purchases	360,097	184.031 458	66,269,176.00
Sales	360,097	184.664 844	66,497,256.36
Number of shares as at 5 April 2019	0	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 20 May 2019

The Board of Directors' Meeting of 27 March 2019 submitted a resolution to the General Meeting of Shareholders of 20 May 2019 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 14 February 2019) 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 20 May 2019, or until 20 November 2020.

Execution of the programme: The Board of Directors' Meeting on 27 March 2019 resolved, subject to the condition precedent of approval by the General Meeting of Shareholders on 20 May 2019 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 €30 million is, subject to the restrictions under the applicable regulations, allocated to the purpose of secondary market-making by an investment services provider or to ensure the liquidity of the Aéroports de Paris share, in accordance with the rules of the *Autorité des Marchés Financiers* (AMF) and market practices authorised in its decision no. 2018-01 of 2 July 2018.

## Non-capital securities

Aéroports de Paris' outstanding bond issues amounted to €4,678 million as of 31 December 2018. 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:

Purpose of the financial authorisations/delegations remaining valid granted to the Board of Directors	Maximum nominal amount (26-months authorisations)
Share capital increase <sup>a</sup> with preservation of the pre-emptive subscription right Price: set by the Board of Directors in accordance with the applicable legal provisions	Share capital increase: €97 million <sup>P/1/6</sup> (i.e. around 33% of capital) Issue of securities giving access to debt securities: €500 million <sup>2</sup>
Share capital increase <sup>a</sup> with removal of the pre-emptive subscription right through a public offering Price: set by the Board of Directors and at least equal to the minimum amount stipulated by current laws and regulations, i.e. to date a price at least equal to the weighted average share price over the last three trading sessions prior to the price setting, possibly reduced by a maximum discount of 5% <sup>c</sup>	Share capital increase: €29 million <sup>P/3/6</sup> (i.e. around 10% of capital) Issue of securities giving access to debt securities: €500 million <sup>2</sup>
Share capital increase <sup>a</sup> with removal of the pre-emptive subscription right through a private placement offer Price: same rules as for the price setting in the event of an issue with removal of the pre-emptive subscription rights through a public offering	Share capital increase: €29 million <sup>P/3/6</sup> (i.e. around 10% of capital) Issue of securities giving access to debt securities: €500 million <sup>2</sup>
Increase in the number of securities in the case of an issue with or without pre-emptive subscription rights Price: same rules for the price setting as those applicable to the delegation for an increase in the number of securities.	Increase in the number of securities to be issued: 15% of initial issue <sup>P/4/6</sup>
Share capital increase through the incorporation of premiums, reserves, profits or other in the form of a creation or allocation of free shares and/or increase in the nominal value of the existing shares. The Board of Directors sets the amount and type of amounts to be incorporated into the share capital and the number of shares to be issued and/or for which the nominal value will be increased.	Share capital increase: €97 million <sup>5</sup> (i.e. around 33% of capital)
Share capital increase <sup>b</sup> reserved for subscribers to an Employee Savings Scheme Price: set in accordance with the provisions of the French Labour Code (article L. 3332-19 et seq.), neither higher than the average of the listed prices over the last 20 trading sessions prior to the decision setting the opening date of the subscription period, nor lower by over 20% [(or 30% when the lock-up period exceeds 10 years)] than this average <sup>d</sup> .	Share capital increase: €2.9 million <sup>P/3</sup> (i.e. around 1% of capital)





### Purpose of the financial authorisations/delegations remaining valid granted to the Board of Directors

### Maximum nominal amount (26-months authorisations)

Share capital increase<sup>b</sup> in payment for a public exchange offering initiated by the Company  
Exchange parity, amount of the balance and price: set by the Board of Directors in accordance with applicable legal provisions

Share capital increase: €29 million<sup>P/3</sup> (i.e. around 10% of capital)  
Issue of securities giving access to debt securities: €500 million<sup>2</sup>

Capital increase<sup>b</sup> with a view to payment for contributions in kind  
Price: the Board of Directors sets the number of securities to be issued and their characteristics in accordance with applicable legal provisions.

Share capital increase: 10% of share capital at the time of the issue<sup>P/3</sup>

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 around 33% of capital for share capital increases with preservation of pre-emptive subscription rights<sup>1</sup>;  
€29 million, or around 10% of capital for share capital increases with removal of pre-emptive subscription rights<sup>3</sup>;  
€29 million, or around 10% of capital for share capital increases during public offer periods<sup>6</sup>.

Share capital increases during public offer periods (global cap)  
For resolutions 19, 20, 21 and (when used in connection with an issue as part of resolutions 19, 20 or 21) 22

Global cap for share capital increases during public offer periods: €29 million<sup>P/3/6</sup> or around 10% of capital

#### Caps:

<sup>P</sup> With attribution to the global cap of dilutive capital increases of €97 million par value.

<sup>1</sup> With attribution to the global cap of share capital increases with preservation of pre-emptive subscription rights of €97 million par value.

<sup>2</sup> With attribution to the global cap of an issue of securities giving access to Company debt of €500 million.

<sup>3</sup> With attribution to the global cap of share capital increases with removal of pre-emptive subscription rights of €29 million par value.

<sup>4</sup> With, for an issue with preservation of pre-emptive subscription rights, attribution to the cap<sup>1</sup> and for an issue with removal of pre-emptive subscription rights, attribution to cap<sup>3</sup>.

<sup>5</sup> Without attribution to the global cap for dilutive capital increases.

<sup>6</sup> With attribution to the 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.

#### Notes:

<sup>a</sup> Issue of Company shares or securities giving access to the capital of the Company or a subsidiary.

<sup>b</sup> Issue of Company shares or securities giving access to the capital of the Company.

<sup>c</sup> It being stated that in the event of the issue of securities giving access to capital, the issue price shall be such that the amount immediately received by ADP (or the subsidiary in the event of the issue of securities giving access to ordinary shares in a subsidiary) increased, if applicable, by that likely to be received subsequently by itself (or the subsidiary concerned) is at least equal to the minimum amount stipulated by law.

<sup>d</sup> The Board of Directors being authorised, if it deems it appropriate, to reduce or remove the discount indicated in articles L. 3332-19 et seq. of the French Labour Code subject to the legal and regulatory limits, in order to take into account, notably, the legal, accounting, tax and social regimes applicable locally. The Board of Directors is also authorised to allocate, free of charge, to the said beneficiaries, in addition to the shares or securities that are capital securities giving access to capital to be subscribed in cash, shares or securities that are capital securities giving access to capital to be issued or already issued in substitute for all or part of the discount indicated in articles L. 3332-19 et seq. of the French Labour Code and/or matching contribution, within the legal and regulatory limits pursuant to articles L. 3332-10 et seq. and L. 3332-18 et seq. of the French Labour Code.

The authorisations are approved for 26 months (expiry July 2019).

The shareholders granted these authorisations to the Board of Directors during the Combined General Meeting of 4 May 2018. None of these delegations had been used on the date on which this Registration Document was filed.

## 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 see paragraph in chapter 6 "Joint-ventures activities".

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 see paragraph in chapter 6 "Other development".

As regards the activity of groundhandling, for a description of the contractual agreements between Aéroports de Paris and Samsic related to Hub Safe 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.



## 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:

- ◆ On 11 February 2019, the infrastructure manager CDG Express (“GI CDG Express”), equally owned by Groupe ADP, SNCF Réseau and Caisse des Dépôts et Consignations, signed with the French government the concession contract for works relating to the CDG Express link project (see section in Chapter 12 entitled “Recent events and outlook”);
- ◆ The contract signed on 19 April 2018 in which Aéroports de Paris, parent company of Groupe ADP, finalised the acquisition, through its wholly-owned subsidiary, ADP International, of an additional 41.5% stake in Airport International Group (“AIG”), concession holder at Queen Alia International Airport (QAIA) in Amman, Jordan; following this operation, Groupe ADP, which already owned a 9.5% stake in AIG since 2007, now owns 51% of the capital; it thus has exclusive control of AIG, and has fully consolidated AIG’s financial accounts;
- ◆ 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 ÖWA alpha GmbH, of an additional 8.12% holding of the securities of TAV Havalimanlari Holding A.S. (“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 Aéroports 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](http://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.

### Investor Relations

**Audrey Arnoux**

Head of Investor Relations

**Thibault Garcia**

Investor Relations Officer

## FINANCIAL CALENDAR

### // RESULTS, REVENUE AND GENERAL MEETING

Results, revenue and general meeting	Publication date	Quiet period
2019 First quarter revenue	Friday 26 April 2019	From 12 April to 26 April 2019
Annual General Meeting of Shareholders	Monday 20 May 2019	
2019 Half-year results	Friday 26 July 2019	From 4 to 25 July 2019
2019 9-Month revenue	Wednesday 23 October 2019	From 9 to 23 October 2019

### // MONTHLY TRAFFIC FIGURES

Monthly traffic figures	Publication date
December 2018 traffic figures	15 January 2019
January 2019 traffic figures	13 February 2019
February 2019 traffic figures	14 March 2019
March 2019 traffic figures	15 April 2019
April 2019 traffic figures	15 May 2019
May 2019 traffic figures	14 June 2019
June 2019 traffic figures	12 July 2019
July 2019 traffic figures	14 August 2019
August 2019 traffic figures	16 September 2019
September 2019 traffic figures	14 October 2019
October 2019 traffic figures	15 November 2019
November 2019 traffic figures	13 December 2019



## 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.





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# STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

## GENERAL MEETING OF SHAREHOLDERS TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

*This is a free translation into English of the statutory auditors' special report on regulated agreements and commitments issued in the French language and is provided solely for the convenience of English-speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements and commitments reported on are only those provided by the Article and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.*

To the Aéroports de Paris annual general meeting of shareholders,

In our capacity as statutory auditors of your company, we hereby report on certain regulated 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 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/or concluded during the year ended 31 December 2018

In accordance with Article L. 225-40 of the French Commercial Code, we have been advised of certain regulated agreements and commitments, concluded during the year ended 31 December 2018 which received prior authorization from your Board of Directors.

1. With the French State, the main shareholder of your company or with public bodies

#### Persons concerned

- ◆ The State, shareholder holding more than 10% of the voting rights of your company, represented by Mrs. Solène Lepage,
- ◆ Directors appointed on proposal by the French State: Mrs. Geneviève Chauv Deby, Mr. Michel Massoni, Mr. Denis Robin and Mrs. Perrine Vidalenche.

## 1.1 Agreement signed with Cité de l'architecture et du patrimoine, a public institution

### Nature and purpose

Agreement signed with Cité de l'architecture et du patrimoine, covering the donation of facade elements from building 363 of the Paris-Orly Airport, realized by the architect Edouard Albert.

### Conditions

At its meeting on December 20, 2017, your Board of Directors authorized a donation agreement between your company and Cité de l'architecture et du patrimoine, which was signed on June 1, 2018.

As part of the Cœur d'Orly project, building 363, a property owned by your company, had to be demolished in 2014. In order to preserve a portion of Edouard Albert's work, it was decided to draw up a historical notice relating to the construction of building 363 and conserve elements of its facade for donation to the Cité de l'architecture et du patrimoine.

### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on the interest it presented in terms of your company contributing to the protection and preservation of France's architectural heritage.

## 1.2 Framework agreement signed with the Direction Générale de l'Aviation Civile (DGAC) - French Civil Aviation Authority) relating to the occupancy conditions of existing buildings or those under construction, and private parking spaces

### Nature and purpose

Framework agreement signed between your company and the French State - Ministry for the Ecological and Inclusive Transition, French Civil Aviation Authority) for the purpose of defining, under Article 43 of your company's specifications, the occupancy conditions of the French State (DGAC) with respect to existing buildings or those under construction, and private parking spaces, owned by your company and allocated by the French State to the French Air Transport Police Authority (GTA) exercising their duties in Parisian airports.

### Conditions

At its meeting on October 18, 2017, your Board of Directors authorized a framework agreement between your company and the French State - Ministry for the Ecological and Inclusive Transition, French Civil Aviation Authority, which was signed on October 15, 2018 for a term of 5 years, with effect from January 1, 2018.

Article 43-II of your company's specifications sets the terms and conditions governing the provision, for a fee, of land, buildings, premises and parking areas owned by your company and occupied by departments of the French state, and refers to the conclusion of multi-year agreements to determine the applicable rents by considering the rates previously applied and the costs borne by your company.

The agreement is concluded under the following financial conditions:

- ◆ a discount of 40% on rents inside terminals,
- ◆ a discount of 20% on rents outside terminals,
- ◆ a discount of 10% on land rentals,
- ◆ a discount of 10% on parking spaces related to buildings,
- ◆ leasing expenses 100% covered, with management fees of 6%,
- ◆ payment of VAT and other taxes (particularly taxes on property and premises in Ile-de-France),
- ◆ annual indexation of rents based on the Tertiary Activities Rent Index.

Detailed information and the financial terms and conditions relating to the leases and lease amendments are set out in appendix 1.

### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors given your company's obligation to provide the department and public establishments of the French State with any land it owns on which a building attributed to the French State is located.

## 1.3 Agreement with the Institut Français, public body

### Nature and purpose

Sponsorship agreement between your company and the Institut Français, commercial and industrial public body, involved in the external promotion of French culture.

### Conditions

At its meeting on June 27, 2018, your Board of Directors authorized a sponsorship agreement between your company and the Institut Français that was signed on July 27, 2018 for a 5-month term.

As part of its international development, your company wished to associate itself with the Institut Français as a sponsor to organize a program called "Saison France-Israël," which will take place simultaneously in the two countries between the months of June and November 2018. Your company's donation is valued at €25,000 excluding taxes. The Institut Français has undertaken to provide your company with material services (invitations during the main Saison France-Israël events) and visibility as a sponsor regarding all the communication tools dedicated to the Saison France-Israël.

### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on the interest this partnership represents as part of its international development strategy, and the necessity of projecting its activities and expertise in France and abroad and benefiting from material services and visibility.

## 1.4 Agreements with the Musée d'Orsay and the Musée de l'Orangerie, public bodies

### 1.4.1 AMENDMENT TO A SPONSORSHIP AGREEMENT COVERING THE ORGANIZATION OF THE "BIENVENUE IN PARIS" (WELCOME TO PARIS) EXHIBITION AT PARIS-CHARLES DE GAULLE AIRPORT

### Nature and purpose

Amendment to a sponsorship agreement covering the organization of the "Bienvenue in Paris" (Welcome to Paris) exhibition at Paris-Charles de Gaulle Airport and hence defining the respective commitments of the parties.

### Conditions

At its meeting on February 16, 2016, your Board of Directors authorized the signing of a sponsorship agreement with the public body, the Musée d'Orsay, covering the organization of the "Bienvenue in Paris" (Welcome to Paris) exhibition at Paris-Charles de Gaulle Airport, the latter having been signed on February 23, 2016 (see. paragraph A.1.21 of the second section of this report).

This agreement expired on July 31, 2018 and the two parties wished to extend its term to December 31, 2018.

At its meeting on June 27, 2018, your Board of Directors authorized the signing of an amendment to the initial agreement, which was signed on July 23, 2018, in order to extend the term until December 31, 2018.

### Reasons justifying that the agreement is in the company's interest

The extension this agreement via the signing of an amendment was justified by your Board of Directors based on the interest it presented in terms of your company organizing an exhibition of art works at Terminal 2E of the Paris-Charles de Gaulle Airport, thus contributing to the cultural policy implemented by your company, in order provide a warm welcome to the airport's passengers.

#### 1.4.2 SPONSORSHIP AGREEMENT COVERING THE ORGANIZATION OF THE “BIENVENUE IN PARIS” (WELCOME TO PARIS) EXHIBITION AT PARIS-CHARLES DE GAULLE AIRPORT

##### Nature and purpose

Sponsorship agreement signed with the Musée d'Orsay and the Musée de l'Orangerie covering your company's support as part of its passenger cultural program, via the organization of the “Bienvenue in Paris” (Welcome to Paris) exhibition at Paris-Charles de Gaulle Airport, and stipulating the parties' reciprocal commitments.

##### Conditions

At its meeting on December 12, 2018, your Board of Directors authorized an agreement between your company, the Musée d'Orsay and the Musée de l'Orangerie, which was signed on January 14, 2019, with effect from January 1, 2019 for a 2-year period.

The reciprocal services consist in the setting up of visual spaces by the three partners within the Musée d'Orsay, the Musée de l'Orangerie and the landing passageway of the Terminal 2E's Hall L (international) of Paris-Charles de Gaulle Airport. The agreement sets the financial terms and conditions by valuing the contributions of each of the two parties (€99,880 excluding taxes for both parties) and defines the compensation procedure for invoice payment.

##### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on the interest it presented in terms of your company developing its passenger cultural strategy and commitment and benefiting from material services and visibility.

#### 1.5 Agreement with Atout France, State Economic Interest Grouping

##### Nature and purpose

Partnership agreement aimed at establishing a regulatory framework and determining partnership principles between your company and Atout France for the period 2018-2021.

##### Conditions

At its meeting on June 27, 2018, your Board of Directors authorized the signature of an agreement between your company and Atout France, which was signed on July 19, 2018, with effect from January 1, 2018 for a 4-year period.

This agreement defines the areas of cooperation between the parties, and the terms and conditions for monitoring the cooperation initiatives.

##### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on the interest it presented in terms of your company (i) raising the awareness of institutional and private players regarding the benefits of air transport connectivity by supporting the “Observatoire de la connectivité aérienne,” (ii) boosting the appeal of France as a destination and French airports through communication and promotion initiatives, and (iii) jointly developing support operations for new and defining intercontinental routes.

#### 1.6 Settlement agreement with the French State - Ministry for the Environmental and Solidarity Transition, DRIEA IF/DIRIF

##### Nature and purpose

Settlement agreement with the French State - Ministry for the Environmental and Solidarity Transition, DRIEA IF/DIRIF and your company, relating to the financing arrangements for the safety work carried out for the RN7 road tunnels.

##### Conditions

At its meeting on June 27, 2018, your Board of Directors authorized a settlement agreement, which was signed on July 28, 2018, between your

company and the French State - Ministry for the Environmental and Solidarity Transition, DRIEA IF/ DIRIF (Île-de-France Regional Department for Equipment and Planning /Île-de-France Highways department).

The safety work necessary for the RN7 road tunnels was carried out by your company for the DRIEA IF/DIRIF prior to the signature of an agreement governing the arrangements for completion and financing. The DRIEA IF/DIRIF therefore offered your company a settlement agreement to ensure payment for the services rendered. Under this agreement, the DRIEA IF/DIRIF pledged to pay your company a final lump sum of €384,089 excluding taxes. This amount includes the sale price of works and equipment whose ownership was transferred to the DRIEA IF/DIRIF.

##### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on your company's interest in signing an enforceable instrument for the payment of the services rendered by your company for the DRIEA IF/DIRIF with respect to the safety compliance work for the RN7 tunnels under the Paris-Orly Airport.

#### 1.7 Agreement with Musée du Louvre, public body

##### Nature and purpose

Sponsorship agreement concluded with the Musée du Louvre, covering the organization of an exhibition within the disembarkation hall of Paris-Orly Airport.

##### Conditions

At its meeting on July 30, 2018, your Board of Directors authorized an agreement between your company and the Musée du Louvre, which was signed on August 28, 2018 for a 2-year term.

The agreement sets the financial terms and conditions by valuing the contributions of each of the two parties (€63,000 excluding taxes for both parties) and defines the compensation procedure for invoice payment. Your company will benefit from material and publicity services; in return it pledges to (i) provide the Musée du Louvre with an exhibition space at Paris-Orly, West terminal, as of September 1, 2018, (ii) assume the exhibition's printing and installation costs, and (iii) publicize the exhibition and the Musée du Louvre.

##### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on your company's interest in benefiting from (i) material services (particularly the transfer of the exhibition's visual copyrights for a period of two years, and (ii) visibility as a partner on the Musée du Louvre's various communication channels (site, social networks, etc.).

#### 1.8 Agreements with SNCF Réseau and Caisse des Dépôts et Consignations, public bodies

##### 1.8.1 AMENDMENT NO. 4 TO THE AGREEMENT COVERING THE PRE-FINANCING OF THE STUDIES AND WORK NECESSARY FOR THE CDG EXPRESS PROJECT

##### Preamble

At its meeting on March 26, 2014, your Board of Directors authorized the conclusion of a shareholders' agreement that sets out the conditions of cooperation between the French State, SNCF Réseau and your company within CDG Express Etudes S.A.S. Signed on May 16, 2014, this agreement defines, beyond the statutory rules, the commitments 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 out the CDG Express rail connection project. Signed on March 2, 2016, it specifies the various joint studies to be conducted to create the project company, as well as the realization of the CDG Express project and the budget necessary for all the studies until the project company's creation, i.e. €12 million excluding taxes, shared equally between the two partners.

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At its meeting on May 3, 2016, your Board of Directors authorized a first amendment to the agreement between your company and SNCF Réseau for the CDG Express rail connection project in order to extend its terms and conditions to the Caisse des Dépôts et Consignations. This amendment no. 1, signed on May 24, 2016, also stipulates that the parties shall undertake all the actions in their power to create the project company before December 31, 2016 and to increase the forecast budget from €12 million to €12.4 million excluding taxes.

At its meeting on December 14, 2016, your Board of Directors authorized a second amendment in order to extend the terms of the agreement to June 30, 2017, update the additional studies and cap the amount of expenses assumed by each party as part of the project. The forecast budget, initially set at €12 million excluding taxes, was increased to €12.4 million excluding taxes by amendment no. 1, and further increased by amendment no. 2 to €49.1 million excluding taxes until June 30, 2017.

A third amendment, authorized by your Board of Directors at its meeting on June 21, 2017 and concluded on November 16, 2017, extended the term of the agreement between your company, SNCF Réseau and the Caisse des Dépôts et Consignations to carry on the CDG Express rail connection studies until September 15, 2017. This amendment no. 3 also updates the content and the funding conditions of the additional studies that are necessary for the CDG Express project for an amount increased to €49.66 million.

#### Nature and purpose

Amendment no. 4 to the agreement of March 2, 2016, revised the amount budgeted for the pre-financing of the studies and work necessary for the CDG Express project to €110 million.

#### Conditions

At its meeting on December 20, 2017, your Board of Directors authorized amendment no. 4 between your company, SNCF Réseau and the Caisse des Dépôts et Consignations in order to set the amount budgeted for the pre-financing of the studies and work necessary for the CDG Express project at €110 million. This amendment was signed on June 21, 2018.

#### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on the interest it presented to your company in terms of enabling the advancement of this major project.

### 1.8.2 BYLAWS OF GESTIONNAIRE D'INFRASTRUCTURE CDG EXPRESS

#### Nature and purpose

Bylaws of Gestionnaire d'Infrastructure CDG Express as of October 5, 2018

#### Conditions

At its meeting on July 24, 2017, your Board of Directors authorized the adoption of bylaws to create a joint subsidiary between your company, SNCF Réseau and the Caisse des Dépôts et Consignations, to act as infrastructure manager responsible for the financing, design, construction and maintenance of the CDG Express rail connection.

#### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on the interest it presented to your company in terms of partnering with the company that will lead the CDG Express rail connection project, what the project represents as a major initiative, and, in particular, furthering the company's influence and development.

### 1.8.3 SHAREHOLDERS' AGREEMENT OF GESTIONNAIRE D'INFRASTRUCTURE CDG EXPRESS

#### Nature and purpose

Shareholders' agreement concerning Gestionnaire d'Infrastructure CDG Express signed with SNCF Réseau the Caisse des Dépôts et Consignations on February 8, 2019.

#### Conditions

At its meeting on July 24, 2017, your Board of Directors authorized a shareholder's agreement to create a joint subsidiary between your company, SNCF Réseau and the Caisse des Dépôts et Consignations, to act as infrastructure manager responsible for the financing, design, construction and maintenance of the CDG Express rail connection.

#### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on the interest it presented to your company in terms of partnering with the company that will lead the CDG Express rail connection project, what the project represents as a major initiative, and, in particular, furthering the company's influence and development.

### 1.8.4 EQUITY INVESTMENTS OF SHAREHOLDERS IN THE SHARE CAPITAL OF GESTIONNAIRE D'INFRASTRUCTURE CDG EXPRESS

#### Nature and purpose

Agreement whose purpose is to set the terms and conditions governing the equity investments of shareholders in the share capital of Gestionnaire d'Infrastructure CDG Express.

#### Conditions

At its meeting on November 21, 2018, your Board of Directors authorized an agreement, which was signed on February 11, 2019, whose purpose is to set the terms and conditions governing the equity investments of shareholders in the share capital of Gestionnaire d'Infrastructure CDG Express. Under the agreement, your company undertakes to increase the share capital by a maximum of €145 million.

#### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on the interest it presented your company in terms of enabling the advancement of CDG Express, a major project for your company.

### 1.9 AGREEMENTS WITH SNCF RÉSEAU, PUBLIC BODY

#### Nature and purpose

Various contracts to assist your company in realizing the CDG Express project.

#### Conditions

At its meeting on February 22, 2018, your Board of Directors authorized several contracts under which SNCF Réseau will ensure that the work carried out by your company complies with the technical and safety standards. Accordingly, the following contracts were concluded:

- ◆ Technical assistance contract signed on April 19, 2018 for €404,574 excluding taxes;
- ◆ Rail safety contracts signed on February 20, 2018, April 10, 2018 and June 20, 2018 for respective amounts of €53,589 excluding taxes, €101,511 excluding taxes and €48,145 excluding taxes;
- ◆ Works monitoring contract; brush cutting/clearing and fencing of zone L2 signed on March 1, 2018 for €78,224 excluding taxes;
- ◆ Contract covering the access to use of the SNCF Réseau instruction system via external access and the DOC network signed on March 12, 2018 free of charge.

#### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on the interest it presented your company in terms of enabling the advancement of this major project.

## 1.10 AGREEMENT WITH THE RÉGIE AUTONOME DES TRANSPORTS PARISIENS (RATP) AS PART OF THE RENOVATION OF AERIAL BRIDGE NO. 2 OF THE PARIS-ORLY AIRPORT

### Persons also concerned

Mr. de Romanet, Chairman and CEO of your company and Director of the RATP, it being specified that Mrs. Solène Lepage, permanent French State representative, is also a Director of the RATP.

### Nature and purpose

Agreement concluded with the RATP, for the purpose of momentarily transferring the contracting ownership of a portion of the equipment and works making up the tramway infrastructure owned by the RATP, which was impacted by the waterproofing and reinforcement work for the Orly Pont 2 between the "Aéroport d'Orly" and "Porte de l'Essonne" stations of the T7 tramway. This work, carried out by your company under its contract ownership, required procedures within the tramway's operational scope and on the equipment owned by the RATP.

### Conditions

At its meeting on October 16, 2018, your Board of Directors authorized an agreement, which was signed October 18, 2018, between your company and the RATP, relating to the waterproofing and reinforcement work for the Orly Pont 2 between the "Aéroport d'Orly" and "Porte de l'Essonne" stations of the T7 tramway.

Your company will pay the RATP for all costs generated by the studies and works covered by the delegated contracting ownership and the additional costs occasioned at the RATP relating to the works directly related to the site of the operation (e.g: replacement bus).

The agreement amounts to €151,479, to which is added, according to needs, communication, consignment and replacement bus expenses based on the number of periods necessary to render the services until the end of the project.

### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors in that it enables the renovation and reinforcement of aerial bridge no. 2, which supports runway 3 of the Paris-Orly Airport.

## 1.11 AGREEMENT WITH THE PALACE, MUSEUM AND NATIONAL ESTATE OF VERSAILLES, PUBLIC BODY

### Nature and purpose

Sponsorship agreement concluded with the Palace, Museum and National Estate of Versailles, setting the conditions of the sponsorship granted by your company.

### Conditions

At its meeting on December 12, 2018, your Board of Directors authorized an agreement between your company and the Palace, Museum and National Estate of Versailles, which was signed on January 4, 2019 with retroactive effect to December 3, 2018, and is applicable until the obligations of the parties are fulfilled, i.e. December 31, 2018.

Your company wishes to sponsor a project called "A place at the Royal Table," created as part of the European Year of Cultural Heritage 2018. Your company's donation is valued at €40,000 excluding taxes.

In return, the Palace, Museum and National Estate of Versailles, undertake to provide your company with material services (dinner invitations at the Palace) and visibility as a sponsor on all the communication tools.

### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on the interest in your company sponsoring the project "A place at the Royal Table," organized by the Palace, Museum and National Estate of Versailles, and benefiting from material and visibility services.

## 1.12 AGREEMENT WITH SOCIÉTÉ DU GRAND PARIS - GARE DE PARIS-LE BOURGET

### Nature and purpose

The purpose of the agreement is the sale of land and buildings to construct the future Paris-Le Bourget station of line 17.

### Conditions

At its meeting on October 16, 2018, your Board of Directors authorized the sale of land and buildings necessary to accommodate the future Paris-Le Bourget station as part of the construction of subway line 17. This sale was notarized on November 30, 2018. The assets sold were valued at €4,754,460 excluding taxes by the Direction Nationale d'Intervention Domaniale (French National Directorate of Crown Intervention).

### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on the interest for your company represented by the airport's subway service and the sale's compensation as valued by the Direction Nationale d'Intervention Domaniale.

## 2. With companies of which the French State is also shareholder, directly or indirectly

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### 2.1 With Gestionnaire d'Infrastructure CDG Express

#### 2.1.1 DESIGN-BUILD CONTRACT

##### Nature and purpose

Works design-build contract.

##### Conditions

At its meeting on October 16, 2018, your Board of Directors authorized a works design-build contract as part of the CDG Express project. The €205 million contract was signed on February 8, 2019.

##### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on the interest it presented to your company in terms of enabling the advancement of CDG Express, a major project for your company.

#### 2.1.2 LOAN AGREEMENT

##### Nature and purpose

Repayable advance to Gestionnaire d'Infrastructure CDG Express, in the form of a non-revolving credit facility for €150 million.

##### Conditions

At its meeting on November 21, 2018, your Board of Directors authorized a repayable advance to Gestionnaire d'Infrastructure CDG Express to ensure the payment of sums due under the loan from the French State in cases of degraded traffic; in the base case, the repayable advance will not be used.

The repayable advance is in the form of a non-revolving credit facility for €150 million, available as of the commissioning of the rail connection, if its operating income will not be sufficient to service the loan from the French State and the related fees and commissions. Should the advance be used, no dividend may be paid to shareholders until the advance has been fully repaid. The amount outstanding on the advance is to be repaid under all circumstances, including cancellation or loss. A rendezvous clause will

occur every 5 years as of the 2030 review clause, in order to define the terms and conditions for the total or partial continuance of this advance based on the project results. Given these factors, the interest rate on the repayment of the advance is 3.6%. This agreement was signed on February 21, 2019.

#### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on the interest it presented to your company in terms of enabling the advancement of CDG Express, a major project for your company.

## 2.2 With Gestionnaire d'Infrastructure CDG Express and SNCF Réseau, public bodies

#### Nature and purpose

Builder interface agreement signed between your company, Gestionnaire d'Infrastructure CDG Express and SNCF Réseau.

#### Conditions

At the outset, the French State (the concession-granting authority) and Gestionnaire d'Infrastructure CDG Express (the concession holder) signed a concession agreement on February 11, 2019, in order to grant the concession holder the design, financing, realization or organization of the infrastructure and the operation as well as the maintenance, including the upkeep and renewal, of the concession holder's infrastructure in compliance with the performance objectives.

At its meeting on October 16, 2018, your Board of Directors authorized a builder interface agreement as part of the CDG Express work. It was signed on February 8, 2019. The purpose of the agreement is (i) to organize relations between the parties that have not been defined in their design-build contract covering the CDG Express work (ii) determine the allocation and coordination of the parties' obligations with respect to the design, realization or organization of the infrastructure, as stipulated by the concession, (iii) avoid the risks relating to interfaces between the obligations of SNCF Réseau, the Builder under the SNCF Réseau design-build contract - and the obligations of your company under its design-build contract, (iii) allocate the cost of any compensation, penalties and sanctions imposed by the concession granter and compensation payable to the concession holder, and (iv) ensure that disputes between holders of the design-build contracts are resolved, and that direct means of recourse are available to them.

#### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on the interest it presented to your company in terms of enabling the advancement of CDG Express, a major project for your company.

## B. Prior-year agreements and commitments not submitted to the approval of a previous Shareholders' Meeting

We have been advised of the following agreement, authorized and executed in fiscal 2017, which was not approved by the Shareholders' Meeting convened to rule on the financial statements for the year ended December 31, 2017.

### 1. With the French State and SNCF Réseau, public body

#### Nature and purpose

Extension of the shareholders' agreement related to CDG Express Etudes S.A.S., signed between your company, the French State and SNCF Réseau.

### 3. With companies that have common corporate officers with your company

#### 3.1 Agreement with the Institut pour l'innovation économique et sociale

##### Person concerned

Mr. Augustin de Romanet, Chairman and CEO of your company and Director of the Institut pour l'innovation économique et sociale.

##### Nature and purpose

Sponsorship agreement with the Institut pour l'innovation économique et sociale endowment fund.

##### Conditions

At its meeting on October 16, 2018, your Board of Directors authorized a sponsorship agreement with the Institut pour l'innovation économique et sociale, which was signed on December 17, 2018. Your company pledged to donate €50,000 under this agreement, which expires on December 31, 2018.

#### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on the interest it presented to your company in terms of contributing to the development of an endowment fund of which your company is a founding member and whose work could be of significant interest from both a technical and image point of view.

#### 3.2 With Média Aéroports de Paris

##### Person concerned

Mr. Augustin de Romanet, Chairman and CEO of your company and Chairman of the Board of Directors of Média Aéroports de Paris.

##### Nature and purpose

Sponsorship agreement with Média Aéroports de Paris for the "Paris Aéroport Startup Day" event organized in the Paris-Orly Airport's West terminal to provide a forum for startups to meet a target audience.

##### Conditions

At its meeting on October 16, 2018, your Board of Directors authorized an agreement between your company and Média Aéroports de Paris, which was signed on October 16, 2018. The agreement expired on October 20, 2018.

#### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on your company's interest in freely benefiting from the media campaign covering the "Airport Startup Day" event, to be broadcast on screens located at the Paris-Orly and Paris-Charles de Gaulle Airports.

##### Conditions

At its meeting on March 26, 2014, your Board of Directors authorized the conclusion of a shareholders' agreement that sets out the conditions of cooperation between the French State, SNCF Réseau and your company within CDG Express Etudes S.A.S. Signed on May 16, 2014, this agreement defines, beyond the statutory rules, the commitments and functions of each shareholder.

At its meeting on July 8, 2015, your Board of Directors authorized an amendment to this shareholders' agreement, which was signed on October 12, 2015 and specified the financial conditions applicable to studies carried out according to the terms of the project's continuation.

The amendment also provides for a €3.6 million additional budget equally funded by your company and SNCF Réseau.

Your Board of Directors' meeting of December 14, 2016 authorized the extensions of the company's lifespan and the shareholders' agreement until December 31, 2017.

Your Board of Directors' meeting of October 17, 2017 authorized the extensions of the company's lifespan and the shareholders' agreement until December 31, 2018, a decision adopted on October 30, 2017.

## C. Prior-year agreements and commitments not previously authorized and not submitted to the approval of the Shareholders' Meeting

Pursuant to Articles L. 225-42 and L. 823-12 of the French Commercial Code, we hereby inform you that the following agreement, whose conclusion was brought to our attention in fiscal 2016, was not previously authorized by your Board of Directors and consequently, was not approved by the Shareholders' Meeting convened to rule on the financial statements for the year ended December 31, 2016.

Our role is to communicate to you the circumstances which explain why the authorization procedure was not followed.

### With TAV Construction

#### Person concerned

Mr. de Romanet, Chairman and CEO of your company and Director of TAV Construction until July 2017, due to the sale of this company's shares on June 9, 2017, by your company.

#### Nature and purpose

Amendment to the agreement relating to the construction contract, at Paris-Charles de Gaulle Airport, of a building complex designed to host, 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 was owned at 49% by your company until June 9, 2017, as part of the public consultation initiated for the construction contract, at Paris-Charles de Gaulle Airport, of a building complex designed to host, 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. Following the approval of this tender offer by your company's contracts advisory committee 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 construction contracts were signed on February 23, 2015.

The construction contracts amount to €55,739 thousand for the first two buildings and €32,128 thousand for the third building.

Following your company's requests regarding modifications to the works schedule, tighter project supervision and a change to the partial delays in carrying out work, your company and the group comprising TAV Construction Hervé SA agreed to an amendment that was signed on September 14, 2016. The amendment was intended to formalize and value these modifications. The contract amount was therefore increased to €92,457,995 excluding taxes.

This amendment, which by omission was not previously authorized by your Board of Directors, was ratified by your Board of Directors at its meeting on February 14, 2019.

These decisions were adopted in light of the project calendar and the creation of the project company. One of the latter's first actions will be to purchase the studies performed since 2014, as it was unable to act prior to December 31, 2016, the end date of the research firm.

#### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on the interest it presented your company in terms of enabling the advancement of CDG Express, a major project for your company.

#### Reasons justifying that the agreement is in the company's interest

This agreement was justified by your Board of Directors based on the interest in your company formalizing the modifications to the contract in progress.

### AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

#### A. AGREEMENTS AND COMMITMENTS APPROVED IN PRIOR YEARS THAT REMAINED IN FORCE DURING THE FINANCIAL YEAR

In accordance with Article R. 225-30 of the French Commercial Code, we have been advised that the implementation of the following agreements and commitments, which were approved by the Shareholders' Meeting in prior years, continued during the year.



#### 1. With the French State, the main shareholder of your company or with public bodies

##### Persons concerned

The French State and the Directors who are represented or appointed by it, as listed in paragraph A.1 of the first section of our report.

#### 1.1 Framework agreements and leases concluded with on the one hand the French Ministry of the Interior, Overseas France and Territorial Communities and the French Ministry of Immigration, and on the other hand the French Ministry of the Budget, Public Accounts and State Reform (Customs and Excise Authority) pursuant to Article 43 of your company's specifications.

##### Nature and purpose

Protocols defining the main terms and conditions under which your company, pursuant to Article 43 of the specifications, provides certain buildings to the French State, represented by the Ministry of the Interior, Overseas France and Territorial Communities and the French Ministry of Immigration, as well as the French Ministry of the Budget, Public Accounts and State Reform (Customs and Excise Authority), and the civil leases entered into pursuant to these agreements.

##### Conditions

At its meeting on December 17, 2014, your Board of Directors authorized two protocols with on the one hand the French Ministry of the Interior, Overseas France and Territorial Communities and the French Ministry of Immigration and on the other hand the French Ministry of the Budget, Public Accounts and State Reform (Customs and Excise Authority). These protocols were signed on March 5, 2015 with effect as of January 1, 2015.

During this same meeting, your Board of Directors also authorized the signature of two civil leases and amendments concerning the provision of premises and parking areas in public parks to the Ministry of the Interior, Overseas France and Territorial Communities and the French Ministry of Immigration, as well as the French Ministry of the Budget, Public Accounts and State Reform (Customs and Excise Authority). These leases were entered into pursuant to the agreement of March 5, 2015.

These authorizations were granted until December 31, 2019, the date the protocols expire.

The financial terms and conditions of the protocols mention:

- ◇ 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 in airport 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 the protocols are out in appendix 1.

## 1.2. Framework agreement entered into with the French Air Navigation Division (DSNA) in accordance with Article 36 of your company's specifications

### Nature and purpose

This framework agreement sets out the various types of transitional services that your company provides pursuant to Article 36 of its specifications 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 your company's specifications, the French State, represented by the Ministry for Ecology, Sustainable Development and Planning, has decided, for a transitional period, to entrust your company with certain public interest services, as set out in Article 36 of the specifications.

At its meeting on June 28, 2007, your Board of Directors authorized an agreement with the French 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 beyond 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 amendment signed on December 15, 2015, pursuant to the framework agreement, for financial year 2018, your company invoiced the French State €16,499,177 excluding taxes for the services provided.

## 1.3. Agreement with the French State, represented by the Ministry for the Budget, Public Accounts and the Civil Service - Customs and Excise Authority, 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 (i) the sale of building 517 at Paris-Orly Airport to the French State, represented by the French Ministry for the Budget, Public Accounts and the Civil Service - Customs and Excise Authority, by your company and (ii) the subsequent granting of use of the adjacent land for parking. Following the sale of the building in 2008, a lease was entered into between the French 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 setting 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 Article L. 6325-2 of the French Transport Code (Code des transports) and 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 stipulated for the regulated scope.

## 1.5. Agreement entered into with the Prefect of the Paris-La Défense area and the Prefect of Seine-Saint-Denis 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 the Paris-Charles de Gaulle Airport area for the French State, represented by the Prefect of the Paris-La Défense area and the Prefect 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 the Paris-Charles-de-Gaulle Airport area (except aircraft).

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 fires other than fires concerning aircraft, and to provide rescue services in Paris-Charles de Gaulle Airport area, under the authority and command of the French 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 French 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 French State.

## 1.6 Agreement entered into with the Prefects of Paris and Val-de-Marne on Rescue and Fire Fighting Services (RFFS) at Paris-Orly Airport

### Nature and purpose

It sets forth the terms and conditions governing the provision by your company of operational support in terms of Rescue and Fire Fighting Services (except aircraft) in the Paris-Orly Airport area for the State, represented by the Prefects of Paris and Val-de-Marne.

### Conditions

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 (except aircraft) in the Paris-Orly Airport area.

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 fires other than fires concerning aircraft and to provide rescue services in the Paris-Orly Airport area, under the authority and command of the French 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 French State.

## 1.7 Agreement with the Ministry of the Interior regarding the provision of systems using PARAFE processing (rapid external border processing)

### Nature and purpose

Agreement regarding the provision of systems using PARAFE processing (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 PARAFE.

This agreement, signed on January 4, 2017, sets the terms for the implementation, communication, governance and funding of the program and is initiated for a 5-year period tacitly renewable for the same period. Your company has decided to bear the totality of the funding of the

PARAFE, considering that this program was in line with the public interest, from your company's stand point, as well as from the French State's stand point, and that it reinforces the attractiveness of its platforms.

## 1.8 Procurement contract with the French Ministry of Europe and Foreign Affairs relating to the reception of public figures

### Nature and purpose

Procurement contract between your company and the French Ministry of Europe and Foreign Affairs relating to the reception of French and foreign public figures in the airport area and related services.

### Conditions

At its meeting on December 14, 2016, your Board of Directors authorized the signature of a procurement contract defining the terms and conditions of performance of the reception services, and the prices, for the benefit of the French 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 for the benefit of public figures designated by the French Ministry of Europe and Foreign Affairs, the pricing applied is lower on average by 48% compared to the prices agreed with the service provider responsible for the reception of your company's private clients;

These specific prices will nevertheless cover your company's expenses.

## 1.9 With the French State and the French Air Navigation Division (DSNA) relating to the ILS for the Pontoise - Cormeille-en-Vexin aerodrome

### Nature and purpose

Agreement related to the movement, maintenance and operation of the Instrument Landing System (ILS) for the Pontoise - Cormeilles-en-Vexin aerodrome (Val-d'Oise) for a term of 5 years beginning on October 20, 2016, after which it may be tacitly renewed by annual periods.

### Conditions

At its meeting on October 19, 2016, your Board of Directors authorized the conclusion of an agreement, which defines the terms and conditions of the movement, maintenance and operation, which are at the risk and expense of your company, of the Instrument Landing System or "ILS" for the Pontoise - Cormeilles en-Vexin aerodrome. However, the DNSA will continue to be responsible for aircraft approach control. This agreement was signed on October 20, 2016. The ILS transfer cost is valued at €160,000 excluding taxes, and the annual maintenance costs at €80,000 excluding taxes.

## 1.10 Agreement with the French Ministry of the Armed Forces regarding the PR public parking lot at Paris-Charles de Gaulle Airport

### Nature and purpose

Agreement with the French Ministry of the Armed Forces - Air Force Command - regarding the specific conditions applicable to the Air Force Command's subscriptions for access to the PR public parking lot located at 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 French Ministry of the Armed Forces - Air Force Command -, which was signed on December 15, 2016, in order to define the specific legal and financial conditions of these subscriptions. It also provides for a 75% discount on your company's standard rates for PR parking.



## 1.11 With La Poste

### 1.11.1 LEASE RELATED TO THE OPENING OF A POST OFFICE IN TERMINAL 2 OF PARIS-CHARLES DE GAULLE AIRPORT.

#### Nature and purpose

Agreement regarding the signature of a lease related to the opening of a post office in Terminal 2 of Paris-Charles de Gaulle Airport.

#### Conditions

At its meeting on June 29, 2016, your Board of Directors authorized the conclusion of a civil lease with La Poste for an 8-year period. Concluded on September 18, 2017, the lease provides for the payment of the costs related to the area rented by La Poste and the payment of a fixed rent for these premises, on which a 60% discount on the public rates is applied. In 2018, your company collected rent amounting to €14.3 thousand and costs totaling €5.8 thousand.

### 1.11.2 LEASE RELATED TO THE OPENING OF A POST OFFICE IN THE WEST TERMINAL OF PARIS-ORLY AIRPORT

#### Nature and purpose

Agreement regarding the signature of a lease to provide La Poste with a location to transfer its post office in the West terminal of Paris-Orly Airport for which La Poste will receive a 60% rental discount.

#### Conditions

At its meeting on October 19, 2016, your Board of Directors authorized the conclusion of a civil lease with La Poste for an 8-year period. Concluded on November 15, 2017, the lease provides for the payment of the costs related to the area rented by La Poste and the payment of a fixed rent for these premises, on which a 60% discount on the public rates is applied. In 2018, your company collected rent amounting to €44.2 thousand.

## 1.12. With Société du Grand Paris, public agency

### 1.12.1. AGREEMENT RELATING TO SHARED CONTRACTING OWNERSHIP FOR THE CONSTRUCTION OF A SUBWAY STATION AT 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 at 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 out the conditions for constructing the future "Grand Paris" station in Orly. Under the agreement, your company will act as the contracting owner and project manager for the entire operation.

This agreement also defines a provisional estimate of the total amount of the works and the compensation your company would be entitled to for the services performed in its capacity of contract owner during the pre-project phases for an amount of €3.6 million.

At its meeting on February 22, 2017, your Board of Directors authorized the signature of an amendment to this agreement. This amendment, signed on March 1, 2017, calls for adjustments to the total amount of funding by the Société du Grand Paris for the station and the parking amounting to €195.2 million excluding taxes (March 2016 value), breaking down into

€132.8 million excluding taxes for the station and €62.4 million excluding taxes for the parking. The other changes provided by the amendment relate to clarifications or specifications on the tasks of the parties for the building of the facilities, the liability regime, and the insurance covering the construction risks without substantially modifying the economics and general equilibrium of the parties' obligations. At the end of fiscal 2018, your company had invoiced €10.2 million for the station (including €9.9 million in 2018) and €10.2 million for the parking (including €5.2 million in 2018).

### 1.12.2 AGREEMENT RELATING TO THE COMPENSATION FROM SOCIÉTÉ DU GRAND PARIS CONCERNING THE FEASIBILITY STUDIES FOR THE IMPLEMENTATION OF SUBWAY 17 (NORTH) AND ANCILLARY WORK AT THE PARIS - LE BOURGET AIRPORT

#### Nature and purpose

Agreement relating to the compensation from Société du Grand Paris concerning the feasibility studies for the implementation of subway 17 (north) and ancillary work at the Paris-Le Bourget Airport.

#### Conditions

At its meeting on July 24, 2017 your Board of Directors authorized the conclusion of an agreement relating to the compensation from Société du Grand Paris concerning the feasibility studies for the implementation of subway 17 (north) and ancillary work at the Paris-Le Bourget Airport. This agreement was signed on September 21, 2017. The compensation, valued at €97.4 thousand excluding taxes, covers, on one hand, all the feasibility studies related to the implementation of subway 17 (north) and its ancillary works on the Paris-Le Bourget platform or any action or expertise aimed at assisting the draft-design studies conducted by Société du Grand Paris. It also covers the feasibility studies relating to the modifications of existing airport facilities or facilities to be built by your company in order to enable the crossing of subway 17 (north) and the construction of ancillary work. All of the feasibility studies have been completed, resulting in the invoicing of 50% of the €97.4 thousand amount at this stage, as stipulated by the agreement.

### 1.12.3 AGREEMENT RELATING TO THE COMPENSATION FROM SOCIÉTÉ DU GRAND PARIS RELATED TO THE FEASIBILITY STUDIES FOR THE IMPLEMENTATION OF SUBWAY 17 (NORTH) AND ANCILLARY WORK AT THE PARIS-CHARLES DE GAULLE AIRPORT

#### Nature and purpose

Agreement signed with Société du Grand Paris covering the compensation from Société du Grand Paris related to the feasibility studies for the implementation of subway 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 subway 17 (north) and ancillary work at the Paris-Charles de Gaulle Airport. This agreement was signed on July 12, 2017. The compensation, valued at €522 thousand excluding taxes, covers, on one hand, all the feasibility studies related to the implementation of works (station and ancillary work) for subway 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. It also covers the feasibility studies relating to the modifications of existing airport facilities or facilities to be built by your company in order to enable the crossing of subway 17 (north) and the construction of ancillary work.

#### 1.12.4. 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

Reinforcement and ground stabilization works are required as part of the crossing of the 14 and 18 subway lines on the airport space of your company. This agreement is related 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

This agreement, signed on January 9, 2015, and providing for your company's compensation by Société du Grand Paris, was the subject of an amendment that was authorized by your Board of Directors on June 17, 2015 and signed on July 16, 2015. The purpose of the amendment was to increase the compensation payable by Société du Grand Paris, from €15,825 thousand to €24,181 thousand excluding taxes. At the end of fiscal 2018, your company collected a total of €22.7 thousand, including €1.3 thousand in 2018.

#### 1.13 Agreement with Société du Grand Paris (SGP) and Syndicat des transports d'Ile-de-France (STIF) relating to the terms of implementation and funding of studies for the Paris-Orly Airport hub.

##### Nature and purpose

Agreement between your company, Société du Grand Paris and Syndicat des transports d'Ile-de-France (STIF) relating to the terms of implementation and funding of studies for the Paris-Orly Airport hub.

##### Conditions

At its meeting on June 21, 2017, your Board of Directors authorized the conclusion of an agreement, covering the terms of implementation and funding of studies for the Paris-Orly Airport hub. Signed on September 4, 2017 for a period of two years, the agreement may be renewed for a maximum of one year. Your Board of Directors also granted the Chairman and CEO the authority to sign the agreement, with the possibility of sub-delegation. The agreement may be adjusted as needed in the interests of the Paris-Orly Airport.

This agreement provides that:

- ◇ Your company, as developer of the Paris-Orly Airport and unique contracting owner of the subway station falling within the scope of the RTGPE pursuant to 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 Paris-Orly Airport hub based on the following studies program organized in three phases:
  - ◆ a first phase involving the analysis of the current situation and the expression of needs: diagnostic, issues and multimodality program;
  - ◆ a second phase covering development proposals with several scenarios (for instance, bus coordination area at Orly West or Orly South, soft modes of transport including cycling and walking);
  - ◆ a third phase comprising the formalization and validation of the development project.
- ◇ Société du Grand Paris will contribute to their funding by means of a grant for a maximum amount of €100 thousand, excluding taxes

#### 1.14. With the Musée d'Orsay and the Musée de l'Orangerie, public bodies

##### Nature and purpose

Agreement relating to a partnership with the Musée d'Orsay and the 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 a partnership with the Musée d'Orsay and the Musée de l'Orangerie. Signed on February 23, 2016, it covered the creation of visuals for the exhibition "Bienvenue in Paris" within a landing passageway of Terminal 2E of Paris-Charles de Gaulle Airport. The agreement was signed for a 3-year period, extending until July 31, 2018, with retroactive effect to August 1, 2015. The reciprocal services, valued at €124 thousand excluding taxes, consisted in the two partners providing visual spaces within the Musée d'Orsay and the landing passageway of Terminal 2E's Hall L (international) at the Paris-Charles de Gaulle Airport. The term of this agreement was extended, as described in the first part of this report under section 1.4.1.

#### 1.15. Partnership agreement with the Muséum national d'Histoire naturelle, public body

##### Nature and purpose

Partnership agreement between your company and the Muséum national d'Histoire naturelle.

##### Conditions

At its meeting on October 18, 2017, your Board of Directors authorized the signature of a partnership agreement between your company and the Muséum national d'Histoire naturelle, which was signed on October 31, 2017 for a one-year period. The reciprocal services, valued at €22,000 excluding taxes, mainly consisted in:

- ◇ for the Muséum national d'Histoire naturelle, the visibility of your company as partner on the various communication channels of the "Météorites, Entre Ciel et Terre" exhibition (free passes and catalogues of the exhibition);
- ◇ for your company, the promotion of the exhibition and the Muséum national d'Histoire naturelle on the various communication channels.

#### 1.16. Agreement relating to the transfer of copyrights with La Réunion des musées nationaux et du Grand Palais, public body

##### Nature and purpose

Agreement relating to the transfer of copyrights for the visuals of the "Paris, peinture et photographie" exhibition at 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 involving the transfer of copyrights for the visuals of the "Paris, peinture et photographie" exhibition at La Réunion des Musées Nationaux et du Grand Palais. The agreement was signed on December 20, 2017 for a two-year period. This agreement is intended to set the financial terms of the representation rights of the exhibition's visuals during two years for an amount of €26,000 for the benefit of RMN-GP.

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### 1.17 Sponsorship agreement with the Musée national de la Renaissance au château d'Ecouen, public body represented by the French Ministry of Culture and Communication - Cultural Heritage Directorate and the public body Réunion des Musées Nationaux et du Grand Palais des Champs Elysées

#### 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 one-year sponsorship agreement between your company and Musée national de la Renaissance au château d'Ecouen that was signed on December 20, 2017, under which your company committed to make a grant of €20,000 excluding taxes to the Musée national de la Renaissance au château d'Ecouen. In return, your company will benefit from public relations areas, free passes and visibility as sponsor on all communication channels of the museum.

### 1.18. 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 stipulates:

- ◇ 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 Article 38 of your company's specifications, including the land and buildings and technical equipment necessary to Météo France for the execution of its duties.

### 1.19. With the Institut Français, public body

#### Nature and purpose

Partnership agreement between your company and the Institut Français, commercial and industrial public body, involved in the 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 Institut Français that was signed on July 12, 2017. This agreement relates to a photography exhibition resulting from the "Et en plus je parle français !" contest. It has a term of 6 months and will expire on January 12, 2018.

The reciprocal services, priced at €280,000 excluding taxes, consist mainly:

- ◇ for the Institut Français, in promoting the "Paris Aéroport" brand on all the communication and promotion channels of the operation, the

promotion of the partnership on the communication channels of the Institut Français, the participation in the selection jury of nominees in May 2017, and the provision of copyrights of the exhibition pictures;

- ◇ for your company, in providing its network institutional canvases of the Paris Charles-de-Gaulle and Paris-Orly Airports, meaning 106 canvases, for the period from July 13 to August 24 2017 (corresponding to 6 weeks) and taking care of the production of 106 canvases.

### 1.20. Agreements entered into with Régie autonome des transports parisiens (RATP), public body and Syndicat des Transports d'Ile-de-France (STIF)

#### Person also concerned

Mr. de Romanet, Chairman and CEO of your company and Director of the RATP, it being specified that Mrs. Solène Lepage, permanent French State representative, is also a Director of the RATP.

#### 1.20.1. 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. The term of this agreement is the date the tramway is decommissioned.

##### 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.

#### 1.20.2 TERMS AND CONDITIONS OF OPERATING AND MAINTENANCE OF WORKS AND FACILITIES DEDICATED TO THE OPERATION OF THE 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 the T7 tramway and located on your company's estate. The term of this agreement is the date the T7 tramway is decommissioned.

##### 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 T7 tramway in order to guarantee the performances allocated to the system of transport and establish the conditions of interface coordination between the tramway's operation and the management of adjacent parcels of land.

## 1.21. With SNCF Mobilités, public body

### Nature and purpose

Agreement related to rehabilitation works of the RER station of the Roissy hub, which stipulates 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 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 the conclusion of an agreement with SNCF Mobilités related to rehabilitation works for the Roissy RER station hub, which was 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. Its term is set at the date the works are delivered to SNCF Mobilités.

## 1.22. With the public agency of the Palace, Museum and National Estate of Versailles

### 1.22.1 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 THE PARIS-CHARLES DE GAULLE AIRPORT.

#### 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 the 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, and applicable until December 31, 2019, 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 at €178,000 excluding taxes, consist of:

- ◇ for the Palace, Museum and National Estate of Versailles, the transfer of the visual copyrights of the exhibition for a 3-year period and the visibility of the ADP Group as a partner on its various channels of communication;
- ◇ for your company, in providing an exhibition area for a 3-year period starting June 30, 2016, and bearing the costs related to printing and setting up of the exhibition and communication covering the exhibition and the public agency.

### 1.22.2 SPONSORSHIP AGREEMENT RELATED TO THE EXHIBITION "VISITEURS DE VERSAILLES 1682-1789"

#### Nature and purpose

Sponsorship agreement between your company and Palace, Museum and National Estate of Versailles.

#### Conditions

At its meeting on October 18, 2017, your Board of Directors authorized the signature of a sponsorship agreement between your company and the Palace, Museum and National Estate of Versailles that was signed on November 6, 2017, under which your company committed to grant €150,000 to the public body, given the gain in visibility as sponsor of the "Visiteurs de Versailles 1682-1789" exhibition.

## 2. With companies in which the French 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 €570,000 excluding taxes to your company by CDG Express Etudes S.A.S.

### 2.2. With Réseau Transport d'Electricité

#### Nature and purpose

Agreement relating to the connection 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 for the various works needed to connect the Paris-Charles de Gaulle Airport to the public electricity transport network in 225 KV, and the final financial terms of this connection, of which the total cost was estimated at €23 million excluding taxes, including €16.1 million excluding taxes financed by your company between 2012 and 2017. It was signed for an indefinite term given its purpose and will remain in effect as long as the company benefits from this connection.

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## 3. With the French State and Royal Schiphol Group NV (NV Luchthaven Schiphol), shareholders of your company

#### Persons concerned

- ◇ The French State, represented by Mrs. Solenne Lepage
- ◇ Mrs. Geneviève Chauv Debry,
- ◇ Mr. Michel Massoni,
- ◇ Mrs. Perrine Vidalenche,
- ◇ Mr. Jos Nijhuis and Mrs. Van der Meijs, Directors of Aéroports de Paris and respectively Chair and CEO of Royal Schiphol Group NV until May 2018 and member of the Executive Board of Royal Schiphol Group NV (NV Luchthaven Schiphol).

#### Nature and purpose

Shareholders' agreement signed by the French State, represented by the Ministry of the Economy and Finances, and Royal Schiphol Group NV (NV Luchthaven Schiphol).

#### Conditions

In connection with the industrial cooperation agreement between NV Luchthaven Schiphol (Schiphol Group) and your company, your Board of Directors approved a shareholders' agreement between the French State and the Schiphol Group in your presence, at its meeting on November 14, 2008. This agreement was entered into on December 1, 2008, for an initial twelve years period.

## 4. With Schiphol Group NV, minority shareholder of your company

### Persons concerned

Messrs. Nijhuis and de Groot, Directors of your company and respectively Chairman and CEO of Schiphol Group NV until May 2018 and member of the Executive Board of Royal Schiphol Group NV (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 the presence of your company, Schiphol Group, SRE International BV, SRE Altaï BV and S.C.I. Ville Aéroportuaire Immobilier.
- ◇ "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 Netherland 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.

## 5. With the City of Paris or related public bodies

### 5.1 Partnership agreement between your company and the City of Paris concerning the exhibition organized in terminal 1 of the Paris Charles de Gaulle Airport.

#### Person concerned

- ◇ Mrs. Anne Hidalgo, observer 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 with a term ending on February 28, 2019. The reciprocal services, priced at €120,000 excluding taxes, consist mainly in:

- ◇ For the City of Paris, (i) the transfer of copyrights of the exhibition for a maximum duration of two years, (ii) the provision of public relations areas in the Hôtel de Lauzun located on Île Saint-Louis 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 related communication.

### 5.2. Partnership agreement 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, and with effect until November 1, 2018, which defines the terms and conditions of the partnership with Paris Musées. The reciprocal services, priced at €78,000 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 various 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 in November 2016, and bearing the costs related to printing, setting up the exhibition and communication covering the exhibition and the public body.

## 6. With Média Aéroports de Paris company, joint venture between your company and JC Decaux

#### Person concerned

- ◇ Mr. Augustin de Romanet, Chairman and CEO of your company and Chairman and Director of Média Aéroports de Paris.

#### 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 Média Aéroports de Paris and your company related to the diffusion of communication campaigns of your company. Your Board of Directors also authorized the CEO, with possibility of sub-delegating his mandate, to sign purchase orders enabling the implementation of this framework agreement. This agreement, signed on October 19, 2017, is intended to define the financial and commercial terms governing your company's diffusion of communication campaigns via the facilities marketed by Média Aéroports de Paris on the platforms of the Paris Charles-de-Gaulle, Paris-Orly and Paris-Le Bourget Airports until December 31, 2021. It also provides for respective discounts of 40% and 45% compared to the standard rates excluding taxes of Média Aéroports de Paris for the digital and non-digital advertising formats.

## 7. 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., and a Director of your company, is also Chairman and CEO 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 to establish a four-star hotel (MELIA) at the Paris Charles-de-Gaulle Airport.

### 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 proceed with an external development investment, through its subsidiary, which is project owner, for an operation consisting in the construction of the MELIA hotel at the Paris Charles-de-Gaulle Airport for a final amount of €42.8 million, with expected delivery in February 2019. This agreement was signed on July 1, 2016.

## B. AGREEMENTS AND COMMITMENTS APPROVED IN PRIOR YEARS, WITHOUT EFFECT DURING THE FINANCIAL YEAR

In addition, we have been informed of the following commitments and agreements, previously approved by Shareholders' Meetings of prior years, which had no effect during the year.

### 1. With the French State, the main shareholder of your company or with public bodies

#### Persons concerned

The State and the Directors who represent it, mentioned in paragraph A.1 of the first section of this report.

#### 1.1. Agreement entered into with the French State represented by the Ministry for the Ecological and Solidarity 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 French State (Ministry for the Ecological and Solidarity 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 French State (DGAC) has no more use and their reintegration in the estate of your company, and the transfer of lands and buildings owned by your company to integrate them in the public domain (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 Paris-Orly Airport in order to join the RD 118 to the RD 25E.

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 covered by this exchange. These properties, buildings and lands are located in the south-east area of the Paris-Orly Airport.

The transfer of these properties is subject to the following conditions:

- ◇ obtaining from the appropriate authorities a waiver of their preemption rights;
- ◇ agreement from the French State-administered property on the financial evaluation of the global real estate operation;
- ◇ abandonment and reclassification of its public domain by the French State (DGAC) for all lands and buildings to be transferred under this agreement;
- ◇ authorization of the French State (DGAC) given to your company to transfer two plots of land to be used as kennels located in the "blue zone" of the airport hold, pursuant to Article 53 of your company's specifications;
- ◇ obtaining all the necessary reports (asbestos, energy performance diagnostic, termites), for the transfer of the 461 building, module A6/B6.

The exchanges of lands and buildings will be subject to either an administrative certificate or a notarized act covering the transfer of all the above-mentioned properties.

Based on the valuations of the French real estate local services (France Domaine des départements de l'Essonne (91) and du Val-de-Marne (94)), the French State and your company have agreed that these exchanges have an equivalent economic value and would not be subject to any balancing cash payment.

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#### 1.2. Agreement regarding the transfer of lands and parts of buildings, located at the 375 building of the Paris-Orly Airport

#### Nature and purpose

Agreement regarding the transfer of lands and parts of buildings, located at the 375 building of the 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 at the 375 building of the Paris-Orly Airport, occupied by both your company and the Air and Boarder Traffic Police (DPAF). Signed on September 30, 2015, it provides for the signature of a notarized property transfer resulting in the payment by your company of a balancing cash payment to the French State for €865,000, taxes and duties excluded.

Paris-La Défense, on April 2, 2019

The Statutory Auditors  
French original signed by

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

Olivier Brissand

Christophe Patrier

Alban de Claverie

Alain Perroux

## Appendix 1.1: List of new leases and amendments concluded during financial year 2018 with the State pursuant to framework agreements authorised by the Board of Directors of Aéroports de Paris<sup>1</sup>

### Leases concluded with the State - French Ministry of the Interior

pursuant to Article 43 of the Aéroports de Paris specifications within the framework of the 2015 Memorandum of Understanding with the Police Services (expiry 31/12/2019)

#### // TABLE 1: AMENDMENTS TO EXISTING LEASES SIGNED DURING AND/OR FROM FINANCIAL YEAR 2018

Airport	Building	Contract no.	Effective date	Date of signing
Paris Orly	402	21 CI 1049 (amendment no. 1)	09/01/2017	30/05/2018
Paris-Charles de Gaulle	1200E	31 CI 1353 (amendment no. 2)	08/09/2017	25/05/2018
Paris-Charles de Gaulle	1233	CDGE-31CI1353 (amendment no. 1)	08/06/2018	In progress
Paris-Charles de Gaulle	1200E	31 CI 1352 (amendment no. 2)	08/09/2017	25/06/2018

#### // TABLE 2: NEW LEASES CONCLUDED DURING FINANCIAL YEAR 2018

Airport	Building	Contract no.	Duration	Financial conditions	Effective date	Date de signature
Paris-Orly	842	21 CI 1072	1 year and 8 months	40% rental reduction	25/04/2018	30/10/2018
Paris-Charles de Gaulle	6022	31 CI 1533	9 years	No rental reduction	01/01/2018	27/09/2018

### Leases concluded with the State - French Ministry for the Economy and Finance

pursuant to Article 43 of the Aéroports de Paris specifications within the framework of the 2015 Memorandum of Understanding with the Customs Services (expiry 31/12/2019)

#### // TABLE 1: AMENDMENTS TO EXISTING LEASES SIGNED DURING AND/OR FROM FINANCIAL YEAR 2018

Airport	Building	Contract no.	Effective date	Date of signing
date	1200 and 1259	31 CI 0142 (amendment no. 3)	14/11/2017	02/10/2018
Paris-Orly	400	21 CI 0931 (amendment no. 1)	28/02/2018	05/06/2018
Paris-Orly	400	21 CI 0932 (amendment no. 1)	28/02/2018	30/05/2018
Paris-Charles de Gaulle	1261P	CDGE-31CI1360 (amendment no. 1)	31/01/2018	24/04/2018
Paris-Charles de Gaulle	3452	IMON-31 CI 1521 (amendment no. 1)	01/11/2018	02/10/2018
Paris-Orly	402	21 CI 050 (amendment no. 3)	01/02/2018	30/05/2018
Paris-Orly	Parking 517	21 CI 0433 (amendment no. 1)	01/01/2018	19/04/2018

#### // TABLE 2: NEW LEASES CONCLUDED DURING FINANCIAL YEAR 2018

Aéroport	Bâtiment	N° contrat	Durée	Conditions financières	Date	Date de signature
Paris-Charles de Gaulle	6020	31 CI 1533	11 years	40% rental reduction	31/10/2015	27/09/2018

<sup>1</sup> Please note that some of these leases had a retroactive effect.



**Leases concluded with the State – Ministry for the Ecological and Inclusive Transition of France**  
pursuant to Article 43 of the Aéroports de Paris specifications within the framework of the Agreement  
signed with the DGAC (French Civil Aviation Authority) on 15 October 2018 (expiry 31 December 2022)

Airport	Building	Contract no.	Duration	Financial conditions	Effective date	Date of signing
Paris-Charles de Gaulle	1261P	CDGE-31CI1494	5 years	40% rental reduction	01/01/2018	In progress
Paris-Charles de Gaulle	3630	31 CI 1560	5 years	20 % rental reduction	01/01/2018	In progress
Paris-Charles de Gaulle	5740	31 CI 1558	5 years	20 % rental reduction	01/01/2018	In progress
Paris-Le-Bourget	Land 406	41CI0250	5 years	10 % rental reduction	01/01/2018	In progress
Paris-Le-Bourget	27	41CI0232	2 years	10 % rental reduction	21/06/2018	In progress
Issy-les-Moulineaux	1	53AO0013	5 years	No rental reduction	01/01/2018	In progress

**Leases concluded with the State – Ministry for the Ecological and Inclusive Transition of France**  
pursuant to Article 36 of the Aéroports de Paris specifications within the framework of the Agreement  
signed with the French Air Navigation Services on 27 July 2007 (expiry 21 July 2035)

Airport	Building	Contract no.	Duration	Financial conditions	Effective date	Date of signing
Paris-Charles de Gaulle	1213/1205	CDGE-31CI1227	4 years	Current rate decision grid	01/01/2018	In progress
Paris-Charles de Gaulle	6020	31 CI 1533	9 years	Current rate decision grid	01/01/2018	27/09/2018
Paris - Orly	Land 808	IMOS-21CI1055	5 years	10% rental reduction	01/01/2018	In progress

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## Appendix 1.2 : List of leases concluded prior to financial year 2018 with the State pursuant to framework agreements authorised by the Board of Directors of Aéroports de Paris and continued during financial year 2018

Leases concluded with the State - French Ministry for the Economy and Finance prior to 2018 and continued during financial year 2018 pursuant to Article 43 of the Aéroports de Paris specifications within the framework of the Memorandum of Understanding signed on 05 March 2015 with the Customs Services (expiry 31/12/2019)

Aerodrome	Building	Contract no.	Rent recognised during the period <sup>2</sup> (in € ex VAT)	Re-invoicing of Rental expenses during the period <sup>3</sup> (in € ex VAT)	Duration	Financial conditions	Effective date	Date of signing
Paris-Charles de Gaulle	12.00 E	CDGE-31 CI1356 <sup>(2)</sup>	176,985.24	93,154.68	5 years	60 % rental reduction	30/09/2016	28/11/2016
Paris-Charles de Gaulle	12.00 F	CDGE-31 CI1355 <sup>(1)</sup>	106,115.64	61,868.76	5 years	60 % rental reduction	01/01/2015	08/06/2015
Paris-Charles de Gaulle	12.61 P	CDGE-31 CI1360 <sup>(1)</sup>	3,620.96	1,449.95	5 years	60 % rental reduction	01/01/2015	08/06/2015
Paris-Charles de Gaulle	12.00 G	CDGE-31 CI1359	7,152.00	3,895.32	5 years	60 % rental reduction	01/01/2015	08/06/2015
Paris-Charles de Gaulle	1200 and 1259 LAC	CDGA-31 CI0142	216,716.12	166,476.02	5 years	60% rental reduction	01/01/2015	06/07/2015
Paris-Charles de Gaulle	14.00 and 14.01	CDG1-31 CI1397	66,002.08	34,054.28	5 years	60 % rental reduction	01/01/2015	08/06/2015
Paris-Charles de Gaulle	11.00	Amendment 1	97,144.79	88,902.61	5 years	60 % rental reduction	01/01/2015	08/06/2015
Paris-Charles de Gaulle	1226	CDG1-31 CI1399	123,453.84	60,173.60	5 years	60% rental reduction	01/08/2016	28/10/2016
Paris-Charles de Gaulle	3416	CDGA-31 CI0221	67,385.36	31,557.70	5 years	60 % rental reduction	01/01/2015	30/06/2015
Paris-Charles de Gaulle	3609	IMON-31 CI1421	1,100.84	1,180.86	5 years	60 % rental reduction	01/01/2015	08/06/2015
Paris-Charles de Gaulle	7610	IMON-31 CI1422	74,509.32	30,564.86	5 years	60 % rental reduction	01/01/2015	25/06/2015
Paris-Charles de Gaulle	3700	IMON-31 CI1426	56,078.16	32,341.02	5 years	60 % rental reduction	01/01/2015	15/06/2015
Paris-Charles de Gaulle	3417	IMON-31 CI1430	11,975.36	6,611.49	5 years	60 % rental reduction	01/01/2015	08/06/2015
Paris-Charles de Gaulle	3452	IMON-31 CI1431	14,700	8,820	2 years	40 % rental reduction	01/11/2017	28/12/2017
Paris-Orly	288	IMON-31	133,599.69	66,428.20	5 years	60 % rental reduction	01/01/2015	20/10/2015
Paris-Orly	400	21 CI0931	167,862	94,170	5 years	60 % rental reduction	01/01/2015	22/09/2015
Paris-Orly	400	21 CI0932	48,654	44,535.29	5 years	60 % rental reduction	01/01/2015	22/09/2015
Paris-Orly	402	ORYW-21 CI050	43,327	36,509	5 years	60 % rental reduction	01/01/2015	01/12/2015
Paris-Orly	Car park 517	21 CI0433	6,688.24	0	9 years	60 % rental reduction	01/01/2009	19/01/2010
Paris-Orly	Land 517	IMOS-21 CI0611	0	45 050	30 years	No charges reduction	28/11/2005	28/11/2005

<sup>2</sup> It is noted that the recognised rent and amount of rental expenses invoiced include the financial terms defined by the amendments made in 2015

<sup>3</sup> Idem

## Leases concluded with the State- French Ministry of the Interior prior to 2018 and continued during financial year 2018

pursuant to Article 43 of the Aéroports de Paris specifications within the framework of the 05 March 2015 Memorandum of Understanding with the Police Services (expiry 31/12/2019)

Aérodrome	Bâtiment	N° contrat	Loyer comptabilisé sur l'exercice (en euros HT)	Refacturation des Charges sur l'exercice (en euros HT)	Durée	Conditions financières	Date d'effet	Date de signature
Paris-Charles de Gaulle	1200 and 1259 LAC	CDGA-31CI0143	214,764.36	17,509.68	5 years	60 % rental reduction	01/01/2015	27/08/2015
Paris-Charles de Gaulle	34 57 C	Border Police	18,075.56	2,014.05	5 years	60 % rental reduction	01/01/2015	30/06/2015
Paris-Charles de Gaulle	12.00 E	31 CI1114	179,443.68	92,139.96	5 years	60 % rental reduction	01/01/2015	01/01/2015
Paris-Charles de Gaulle	12.00 F	CDGE-31 CI1352	64,709.76	39,552.00	5 years	60 % rental reduction	01/01/2015	01/01/2015
Paris-Charles de Gaulle	12.33 (S3)	Amendment 2	25,594.92	14,360.76	5 years	60 % rental reduction	01/01/2015	01/01/2015
Paris-Charles de Gaulle	12.00 G	CDGE-31 CI1351	11,498.52	6,948.48	5 years	60 % rental reduction	01/01/2015	01/01/2015
Paris-Charles de Gaulle	5720	CDGE-31 CI1353	8,677.76	5,968.72	5 years	60 % rental reduction	01/01/2015	24/08/2015
Paris-Charles de Gaulle	5740	CDGE-31 CI1354	27,567.28	28,426.12	5 years	60 % rental reduction	01/01/2015	24/08/2015
Paris-Charles de Gaulle	3418B	IMON-31 CI1416	11,712.16	9,365.32	5 years	60 % rental reduction	01/01/2015	24/08/2015
Paris-Charles de Gaulle	3421G	IMON-31 CI1417	11,668.00	7,162.56	5 years	60 % rental reduction	01/01/2015	24/08/2015
Paris-Charles de Gaulle	11.00	IMON-31 CI1432	75,800.94	80,635.46	5 years	60 % rental reduction	01/01/2015	27/08/2015
Paris-Charles de Gaulle	11.00	IMON-31 CI1433	2,624.65	2,846.71	5 years	60 % rental reduction	01/01/2015	27/08/2015
Paris-Charles de Gaulle	14.00 and 14 01	CDG1-31 CI1398	12,463.24	7,480.56	5 years	60 % rental reduction	01/01/2015	27/08/2015
Paris-Orly	400	CDG1-31 CI1404	17,764.28	10,971.10	5 years	60% rental reduction	01/01/2015	
Paris-Orly	400	(DGSJ)	52,819.36	26,780.00	5 years	60% rental reduction	01/01/2015	Signed but not dated
Paris-Orly	400	CDG1-31 CI1396	202,729.87	140,921.59	5 years	60% rental reduction	01/01/2015	26/12/2017
Paris-Orly	400	21 CI0936	208,348.95	162,204.31	5 years	60% rental reduction	01/01/2015	22/10/2015
Paris-Orly	402	Amendment 1	31,619.02	27,364.22	5 years	60% rental reduction	01/01/2015	04/12/2015
Paris-Orly	820	21 CI0940	21,604.00	1,218.00	5 years	60% rental reduction	01/01/2015	22/10/2015
Paris-Charles de Gaulle	Terminal 1	CDG1-31 CI 1398 (avenant 1)	77 090,12	82 310,32	5 years	60% rental reduction	08/03/2017	04/12/2017
Paris-Orly	400	21 CI 0934 (avenant 2)	206 909	148 447	5 years	60% rental reduction	09/01/2017	In progress
Paris-Orly	400	21 CI 0935 (avenant 2)	221 885	177 445	5 years	60% rental reduction	09/01/2017	In progress
Paris-Charles de Gaulle	Terminal 1	CDG1-31 CI 1404 - DGSJ (avenant 1)	2 615,40	2 830,12	5 years	60% rental reduction	08/03/2017	In progress

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## Leases concluded with the State – Ministry for the Ecological and Inclusive Transition of France prior to 2018 and continued during financial year 2018

pursuant to Article 43 of the Aéroports de Paris specifications within the framework of the Agreement signed with the DGAC (French Civil Aviation Authority) on 26 October 2007 and the one signed on 15 October 2018

Aerodrome	Building	Contract no.	Rent recognised during the period (in € ex VAT)	Re-invoicing of rental expenses during the period (in € ex VAT)	Duration	Financial conditions	Effective date	Date of signing
Paris-Charles de Gaulle	Land 71 01	IMON-31CI0583	0	0	30 renewable years	Free handover Art. 43 I specifications	22/07/2005	24/09/2009
Paris-Orly	Land 828-829	IMOS-21CI0436	0	620.00	7 years, 5 months	Free handover	01/01/2013	27/06/2013
Paris-Orly	Land 281	IMOS-21CI0450	0	6,389.00	30 renewable years	Free handover Art. 43 I specifications	22/07/2005	30/09/2009
Paris-Charles de Gaulle	CDGA-C (DGS)	31 CI 0151 (amendment no. 1)	8.004,96	5.364,41	5 years	60% rental reduction	10/10/2017	In progress



# REPORT ON CORPORATE GOVERNANCE

## 1. COMPENSATION

### 1.1 2019 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 2019 and which constitute his compensation policy.

The compensation of the Chairman and CEO for 2019 was agreed by the Board of Directors on 12 December 2018 on the advice of the Compensation, Appointments and Corporate Governance Committee, and approved on 10 January 2019 by the French Minister of the Economy, in compliance 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 20 May 2019 fail to approve the resolution on the 2019 compensation policy for the Executive Officer, the principles and criteria previously approved by the General Meeting of Shareholders of 4 May 2018 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 2019 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, including TAV (weight: 25%), Group ROCE, including TAV and AIG (15%) and departing passenger satisfaction (10%). The performance level for each of these objectives ranges from 70% (nil below this) to 110%.

Four qualitative objectives:

- ◆ support for the potential privatisation process provided for in the PACTE law, ensuring the involvement of management and of Company employees (20%);
- ◆ ADP GROUP's attractiveness and customer service policy in favour of airlines and passengers, notably the continuation of the CDG Express project and the launch of the Terminal 4 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; make CSR a driver for Group transformation; mobilise to prevent workplace accidents;

- the strategy and management policy for subsidiaries and affiliates (10%): management of the international and investment strategy, in particular, in support of TAV after the end of the Istanbul Atatürk concession.

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 2019 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 2020 (and called to approve the financial statements for the year ended 31 December 2019) 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 and CEO.

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. 2012-915 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 and CEO could enable the statutorily authorised ceiling to be reached: the maximum amount is therefore predefined by the Board of Directors at €100,000 and expressed as a directly readable monetary value.

## 1.2 Amount of compensation payable and paid to corporate officers during the 2018 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

<i>(in euros)</i>	2018	2017
Compensation due for the financial year	456,165	456,165
Exercising of options allocated during the course of the financial year	-	-
Exercising of performance-related options allocated during the course of the financial year	-	-
Severance package	None	None
Non-competition benefit	None	None
Supplementary pension scheme	None	None
<b>TOTAL</b>	<b>456,165</b>	<b>456,165</b>

de Paris during the year 2018, in application of the criteria approved in the 17<sup>th</sup> resolution of the General Meeting of Shareholders of Aéroports de Paris of 4 May 2018. 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 2018 will be conditional on approval by the Annual General Meeting of Shareholders to be held on 20 May 2019.

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 (20%), departing passenger satisfaction (10%) and three qualitative objectives: the ADP GROUP attractiveness and customer service policy in favour of airlines and passengers, notably by the continuation of the CDG Express project (10%), corporate social responsibility, including managerial mobilisation and employee safety (10%) and the strategy and management policy for subsidiaries and affiliates, notably internationally (25%).

Achievement of each of these objectives will be reviewed by the Board of Directors on 14 February 2019, 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, respectively, as follows: 110% for the quantitative objectives (including Group EBITDA = 110%, Group ROCE = 110%, Customer satisfaction at departure = 110%) and 109% for the qualitative objectives (including attractiveness and customer service policy = 110%, Corporate Social Responsibility = 80%, and Strategy and management policy for subsidiaries and affiliates = 120%).

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.

<i>(in euros)</i>	Amounts due <sup>1</sup> 2018	Amounts paid <sup>2</sup> 2018	Amounts due 2017	Amounts paid 2017
Fixed compensation	350,000	350,000	350,000	350,000
Variable compensation	100,000	100,000	100,000	95,500
Differed variable compensation	None	None	None	None
Exceptional compensation	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	6,165	6,165	6,165	6,165
<b>TOTAL</b>	<b>456,165</b>	<b>456,165</b>	<b>456,165</b>	<b>456,165</b>

<sup>1</sup> Subject to approval by the Annual General Meeting of Shareholders of the Company of 20 May 2019.

<sup>2</sup> The components of variable compensation will be paid after approval by the Annual General Meeting of Shareholders as part of Say on Pay, ex post.

## Compensation paid to Board members 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. Augustin de Romanet waived attendance fees in his capacity as a director of Aéroports de Paris.

The non-voting Board members, appointed by the General Meeting of Shareholders, received attendance fees for 2016 paid in 2017.

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 2008. The new provisions were effective as of 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 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).

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## 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

The Board of Directors is the collegial body of the Company which determines the direction of Aéroports de Paris' activities and oversees their implementation.

Gross amount (in euros)	2018	2017
Jacques Gounon	32,000	48,310
Els de Groot (until 22 May 2017) <sup>1</sup>	-	2,860
Jacoba van der Meijs (since 23 May 2017) <sup>1</sup>	5,100	6,800
Vinci represented by Xavier Huillard	17,000	17,620
Jos Nijhuis <sup>1</sup>	17,800	15,920
Augustin de Romanet	-	-
PREDICA represented by Françoise Debrus	28,800	41,840
Director appointed by government decree - Solenne Lepage	30,600	32,300
Director proposed by the State and appointed by the General Meeting of Shareholders - Geneviève Chaux-Debry	20,400	17,000
Director proposed by the State and appointed by the General Meeting of Shareholders - Michel Massoni	15,300	11,900
Director proposed by the State and appointed by the General Meeting of Shareholders - Denis Robin, resigned as of 30 October 2018	5,100	6,800
Director proposed by the State and appointed by the General Meeting of Shareholders - Perrine Vidalenche	13,600	11,900
<b>TOTAL</b>	<b>185,700</b>	<b>213,250</b>

<sup>1</sup> 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)	2018 Financial year	2017 Financial year
Anne Hidalgo	0	0
Bernard Irion	7,650	7,960
Christine Janodet	5,950	7,110
Gilles Leblanc (from 11 May 2017 to 12 April 2018)	850	2,550

## 1.3 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.



## 2. GOVERNANCE

### 2.1 Mandates and positions held in companies by the corporate officers during the 2018 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 1961

#### NATIONALITY:

French

#### DATE OF FIRST APPOINTMENT:

Co-opted by the Board of Directors on 12 November 2012 to replace Mr Pierre Graff, ratified by the General Meeting of Shareholders of 16 May 2013

#### START DATE OF CURRENT MANDATE:

15 July 2014, renewed by the General Meeting of Shareholders of 15 May 2014

#### OTHER CURRENT MANDATES AND DUTIES UNDERWAY 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:

- ◆ ADP GROUP 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)
- ◆ Atout France, the French tourism development agency, an Economic Interest Grouping: member of the Board of Directors
- ◆ Paris EUROPLACE, a non-profit: Chairman of the Board of Directors
- ◆ Institut pour l'Innovation Économique et Sociale endowment fund: Director

#### 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 V<sup>e</sup> 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
- ◆ Director of the Musée du Louvre-Lens, a public cultural cooperation establishment, from February 2011 to February 2014

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**// 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 CURRENT MANDATES AND DUTIES UNDERWAY**

**MANDATES WITHIN THE GETLINK (GET SE) GROUP – FORMERLY EUROTUNNEL**

- ◇ Chairman and CEO of the GETLINK Group (GET SE), a European listed company
- ◇ Chairman of France-Manche, a 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 CURRENT MANDATES AND DUTIES UNDERWAY**

- ◇ Member of the Supervisory Board of National Opera & Ballet (Netherlands)
- ◇ Member of the Supervisory Board of Brisbane Airport Corporation PTY Ltd (Australia)
- ◇ Member of the Supervisory Board of Hotel Okura Amsterdam B.V

**MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE WYEARS**

- ◇ Chairman and CEO of Royal Schiphol Group – N.V. Luchthaven Schiphol (a Dutch company), from January 2009 to May 2018
- ◇ 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
- ◇ Member of the Amsterdam Economic Council Board (Netherlands) from January 2010 to May 2018
- ◇ Member of the Board of Directors of ACI World from March 2017 to May 2018
- ◇ Member of the Board of Directors and of the Executive Committee of ACI Europe from October 2013 to May 2018
- ◇ Member of the General Council and Executive Council of the Confederation of Netherlands Industry and Employers (VNO-NCW) (Netherlands) from January 2010 to May 2018
- ◇ Member of the Supervisory Board of Stichting Leefomgeving Schiphol (Netherlands) from January 2010 to May 2018
- ◇ Vice-Chairman of the Board of the Cyber Security Council (Netherlands) from May 2015 to December 2018

## // **Jacoba Van Der Meijs**

### **DATE OF BIRTH:**

26 January 1966

### **NATIONALITY:**

Dutch

### **OTHER CURRENT MANDATES AND DUTIES UNDERWAY**

- ◆ Member of the Managing Board and Chief Financial Officer of Royal Schiphol Group - N.V. Luchthaven Schiphol (a Dutch company)
- ◆ Non-executive director of the Supervisory Board and Chairwoman of the Audit Committee of Kendrion NV, a listed Dutch Company (Netherlands)

### **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

### **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

### **OTHER CURRENT MANDATES AND DUTIES UNDERWAY**

#### **MANDATES HELD WITHIN THE VINCI GROUP:**

- ◆ Chairman and CEO of VINCI, a French listed limited company
- ◆ Chairman of Vinci Concessions, SAS, French company
- ◆ Chairman of the Supervisory Board of VINCI Deutschland GmbH
- ◆ Permanent representative of VINCI, Director on the Board of Directors of:
  - ◆ VINCI Energies, a French limited company
  - ◆ La Fabrique de la Cité, Endowment Fund
- ◆ Director of Kansai Airports, Kabustiki Kaisha, Japanese company
- ◆ Permanent representative of SNEL, Director on the Board of ASF, a French limited company
- ◆ Permanent representative of VINCI Autoroutes, Director on the Board of Cofiroute, a French limited company
- ◆ President of Fondation d'entreprise VINCI pour la Cité

#### **OTHER MANDATES:**

- ◆ Director and Chairman 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)
- ◆ Director of:
  - ◆ VINCI plc (from 1998 to 2013)
  - ◆ VINCI Investments Ltd (from 1998 to 2013)

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**// Françoise Debrus - Permanent representative of Predica, Independent Director**

**DATE OF BIRTH:**

19 April 1960

**NATIONALITY:**

French

**OTHER CURRENT MANDATES AND DUTIES UNDERWAY**

◆ 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
- ◆ 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

**OTHER CURRENT MANDATES AND DUTIES UNDERWAY**

- ◆ Representative to Executive Management reporting to the Commissaire aux Participations de l'État - Agence des participations de l'État - Ministry of 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

**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

**MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS**

- ◆ Director of Transport Acquisitions at Agence des participations de l'État - Ministry of the Economy and Finance from October 2012 to October 2018
- ◆ 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 (SOFIRE) - a public institution, from March 2011 to January 2013

## 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:**

Annual 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 CURRENT MANDATES AND DUTIES UNDERWAY**

- ◇ 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 CURRENT MANDATES AND DUTIES UNDERWAY**

- ◇ Associate member of the General Council for the Environment and Sustainable Development - Ministry for Ecological and Inclusive Transition

**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

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### // 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

**END OF TERM - RESIGNED:**

30 October 2018

**OTHER CURRENT MANDATES AND DUTIES UNDERWAY**

- ◇ Representative of the Ministry of the Interior

**MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS**

- ◇ Secretary General and senior civil servant for defence at the Ministry of the Interior from February 2015 to October 2018
- ◇ Prefect of Pas-de-Calais, Ministry of the Interior, from March 2012 to February 2015

## // Perrine Vidalenche

**DATE OF BIRTH:**

26 December 1956

**NATIONALITY:**

French

**OTHER CURRENT MANDATES AND DUTIES UNDERWAY**

- ◆ Independent director and member of the Risk Committee of Orange Bank, a French limited company with a Board of Directors
- ◆ Member of the Supervisory Board and of the Audit Committee of CDC Habitat, a mixed economy French limited company and real estate subsidiary of Caisse des Dépôts
- ◆ Independent director of CEETRUS, a French limited company with a Board of Directors

**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

## Directors representing employees

### // Laurence Arrieu

**DATE OF BIRTH:**

19 November 1960

**NATIONALITY:**

French

**OTHER CURRENT MANDATES AND DUTIES UNDERWAY**

- ◆ 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

### // Brigitte Blanc

**DATE OF BIRTH:**

25 November 1962

**NATIONALITY:**

French

**OTHER CURRENT MANDATES AND DUTIES UNDERWAY**

- ◆ Aéroports de Paris manager responsible for cross-divisional affairs, in charge of monitoring customer relationships with the French civil aviation authority (DGAC) for Paris-Charles de Gaulle and Paris-Le Bourget
- ◆ Director representing employees at the Business Foundation of ADP GROUP

**DATE OF FIRST APPOINTMENT:**

15 July 2014, 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

**OTHER CURRENT MANDATES AND DUTIES UNDERWAY**

◆ 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, elected on 20 May 2014

**START DATE OF CURRENT MANDATE:**

15 July 2014

**SPONSORED BY THE:**

CFE/CGC union

**OTHER CURRENT MANDATES AND DUTIES UNDERWAY**

◆ Aéroports de Paris firefighter at Paris-Charles de Gaulle

**MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS**

◆ None

## // Jean-Paul Jouvent

**DATE OF BIRTH:**

31 January 1961

**NATIONALITY:**

French

**DATE OF FIRST APPOINTMENT:**

Election of 3 June 2004, taking office on 18 December 2008, re-elected 26 June 2009

**START DATE OF CURRENT MANDATE:**

15 July 2014, re-elected on 20 May 2014

**SPONSORED BY THE:**

UNSA/SAPAP

**OTHER CURRENT MANDATES AND DUTIES UNDERWAY**

◆ 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

## // Joel Vidy

**DATE OF BIRTH:**

30 December 1960

**NATIONALITY:**

French

**DATE OF FIRST APPOINTMENT:**

1 March 2018 replacing Frédéric Mougin

**START DATE OF CURRENT MANDATE:**

15 July 2014 (election of 20 May 2014)

**SPONSORED BY THE:**

CGT union

**OTHER CURRENT MANDATES AND DUTIES UNDERWAY**

◆ Planning and Scheduling Technician at the Technical Process and Luggage department at Paris-Orly airport

**MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS**

◆ None

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## Non-voting Board members

### // Bernard Irion

**DATE OF BIRTH:**

18 March 1937

**NATIONALITY:**

French

**OTHER CURRENT MANDATES AND DUTIES UNDERWAY**

- ◆ Associate member of the Paris Departmental Chamber of Commerce and Industry (CCI-Paris)
- ◆ Director of F4 – a French limited company

**DATE OF APPOINTMENT:**

General Meeting of Shareholders of 15 May 2014

**START DATE OF CURRENT MANDATE:**

15 July 2014

**MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS**

- ◆ Director and representative of CCIR to SEMAVIP (Société d'Économie Mixte Ville de Paris) – a French limited company, from 2011 to January 2018
- ◆ 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 (Île-de-France Transport Union) as a representative of the CRCI (Paris Île-de-France Regional Chamber of Commerce and Industry) from 2009 to 2015

### // Christine Janodet

**DATE OF BIRTH:**

29 September 1956

**NATIONALITY:**

French

**OTHER CURRENT MANDATES AND DUTIES UNDERWAY**

- ◆ Mayor of Orly
- ◆ Departmental Councillor for the Val-de-Marne
- ◆ Vice-Chair of Grand Paris-Orly Seine Bièvres (GOSB), a regional public institution

**DATE OF FIRST APPOINTMENT:**

General Meeting of Shareholders of 28 May 2009

**START DATE OF CURRENT MANDATE:**

15 July 2014, renewed by the General Meeting of Shareholders of 15 May 2014

**MANDATES AND DUTIES COMPLETED DURING THE PAST FIVE YEARS**

- ◆ None

### // Anne Hidalgo

**DATE OF BIRTH:**

19 June 1959

**NATIONALITY:**

French

**OTHER CURRENT MANDATES AND DUTIES UNDERWAY**

- ◆ 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
- ◆ Director of:
  - ◆ SemPariSeine from 2008 to 2014
  - ◆ the “Fondation Mémoire pour la Shoah” from 2012 to 2014



## 2.2 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 2018, 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.

## 2.3 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 4 May 2018 that were in effect at the date of publication of this document. None of these delegations was used during the 2018 financial year.

Purpose of the financial authorisations/delegations granted to the Board of Directors currently in effect	Maximum nominal amount (26-months authorisations)
Share capital increase <sup>a</sup> with preservation of the pre-emptive subscription right. Price: set by the Board of Directors in accordance with the applicable legal provisions.	Share capital increase: €97 million <sup>P/1/6</sup> (i.e., approximately 33% of the capital) Issue of securities giving access to debt: €500 million <sup>2</sup>
Share capital increase <sup>a</sup> with removal of the pre-emptive subscription right through a public offering. Price: set by the Board of Directors and equal to at least the minimum amount provided for by the laws and regulations in effect, i.e., to date, a price at least equal to the weighted average price over the last three trading sessions preceding its setting, potentially decreased by a maximum discount of 5% <sup>c</sup> .	Share capital increase: €29 million <sup>P/3/6</sup> (i.e., approximately 10% of the capital) Issue of securities giving access to debt: €500 million <sup>2</sup>
Share capital increase <sup>a</sup> with removal of the pre-emptive subscription right through a private placement offer. Price: same rules as for setting the price in the event of an issue with the removal of pre-emptive subscription rights through a public offering.	Share capital increase: €29 million <sup>P/3/6</sup> (i.e., approximately 10% of the capital) Issue of securities giving access to debt: €500 million <sup>2</sup>
Increase in the number of securities in the case of an issue with or without pre-emptive subscription rights. Price: same rules as those applicable to the delegation for which the number of shares is increased.	Increase in the number of securities to be issued: 15% of the original issue <sup>P/4/6</sup>
Capital increase through the incorporation of premiums, reserves, profits or other through the creation and free allocation of shares and/or an increase in the par value of existing shares. The Board of Directors sets the amount and the type of sums to be incorporated in the capital and the number of shares to be issued and/or whose par value will be increased.	Share capital increase: €97 million <sup>5</sup> (i.e., approximately 33% of the capital)
Share capital increase <sup>b</sup> reserved for subscribers to an Employee Savings Scheme Price: set in accordance with the provisions of the Labour Code (Article L. 3332-19 <i>et seq.</i> ), and not higher than the average price listed for the last 20 trading sessions preceding the setting of the subscription opening date and not more than 20% below [(or 30% when the lock-up period of the plan is more than 10 years)] this average <sup>d</sup> .	Share capital increase: €2.9 million <sup>P/3</sup> (i.e., approximately 1% of the capital)
Capital increase <sup>b</sup> in payment for a public exchange offer initiated by the Company. Exchange parity, amount of the balance and price: set by the Board of Directors in accordance with the applicable legal provisions.	Share capital increase: €29 million <sup>P/3</sup> (i.e., approximately 10% of the capital) Issue of securities giving access to debt: €500 million <sup>2</sup>
Share capital increase <sup>b</sup> with a view to payment for contributions in kind. Price: the Board of Directors sets the number of shares to be issued and their characteristics in accordance with the applicable legal provisions.	Share capital increase: 10% of share capital at the time of the issue <sup>P/3</sup>

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**Purpose of the financial authorisations/delegations granted to the Board of Directors currently in effect**

Dilutive share capital increase (global cap).

**Maximum nominal amount (26-months authorisations)**

Global cap on dilutive share capital increases: €97 million  
Global cap to which the following sub-caps are added:  
€97 million, or approximately 33% of the capital for share capital increases with preservation of pre-emptive subscription rights<sup>1</sup>;  
€29 million, or approximately 10% of the capital for share capital increases with removal of pre-emptive subscription rights<sup>3</sup>.  
€29 million, or approximately 10% of the capital for share capital increases during public offer periods<sup>6</sup>.

Increases in the share capital during public offer periods (global cap) For resolutions 19, 20, 21 and (when used in connection with an issue under resolutions 19, 20 or 21) 22.

Global cap for share capital increases during public offer periods: €29 million<sup>5/3/6</sup>, or approximately 10% of the capital

**Caps:**

<sup>P</sup> With attribution to the global cap for dilutive capital increases of €97 million par value.

<sup>1</sup> With attribution to the sub-cap for capital increases with preservation of pre-emptive subscription rights of €97 million par value.

<sup>2</sup> With attribution to the global cap for issues of Company debt securities of €500 million.

<sup>3</sup> With attribution to the sub-cap for capital increases with removal of pre-emptive subscription rights of €29 million par value.

<sup>4</sup> With, for an issue with preservation of pre-emptive subscription rights, attribution to the cap<sup>1</sup> and for an issue with removal of pre-emptive subscription rights, attribution to cap<sup>3</sup>.

<sup>5</sup> Without attribution to the global cap for dilutive capital increases.

<sup>6</sup> With attribution to the 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.

**Notes:**

<sup>a</sup> Issue of Company shares or securities giving access to the capital of the Company or of a subsidiary.

<sup>b</sup> Issue of Company shares or securities giving access to the capital of the Company.

<sup>c</sup> Note that in the event of the issue of securities giving access to the capital, the issue price will be such that the amount immediately received by ADP (or the subsidiary in question in the event of an issue of securities giving access to the ordinary shares of a subsidiary) increased, where applicable, by that which may be received by it (or the subsidiary in question) at a later time, will be at least equal to the same minimum amount provided for by law.

<sup>d</sup> The Board of Directors is authorised to reduce or eliminate the discount provided for in Articles L. 3332-19 et seq. of the French Labour Code within legal and regulatory limits, if it deems it necessary, in order to take into account legal, accounting, tax and social regulations applicable locally. The Board of Directors is also authorised to allocate free shares to said beneficiaries, in addition to the shares or securities which are equity securities giving access to capital to be subscribed in cash, shares or securities which are equity securities giving access to capital to be issued or already issued in substitution for all or part of the discount provided for in Articles L. 3332-19 et seq. of the French Labour Code and/or as a contribution, within the legal and regulatory limits applicable under Articles L. 3332-10 et seq. and L. 3332-18 et seq. of the French Labour Code.

## 2.4 Composition of the Board of Directors and conditions for preparing and organising its work

Since 22 July 2005 Aéroports de Paris has been a French limited company with a Board of Directors.

### Composition of the Board of Directors as of 31 December 2018

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 General Meeting of Shareholders, one director representing the French State, three 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 Shareholders of 15 May 2014, renewed the mandates of Augustin de Romanet, Jacques Gounon and Jos Nijhuis and appointed Vinci, represented by Xavier Huillard, and Predica Prévoyance Dialogue du Crédit Agricole, represented by Françoise Debrus. The co-optation of Jacoba van der Meijs by the Board of Directors on 23 May 2017 was ratified by the Annual General Meeting of Shareholders on 4 May 2018.

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 Shareholders of 11 May 2017 appointed the following on proposal of the French State: Michel Massoni, Geneviève Chauv Debry, and Denis Robin (who resigned as of 30 October). 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 was appointed non-voting Board member by the General Meeting of Shareholders of 11 May 2017. He resigned as of 12 April 2018.

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.

## 2.5 Principles of diversity and of balanced representation of women and men on the Board and management bodies

The policy of balanced representation and diversity applied to the composition of the Board of Directors takes into account the complexity and the many different activities of ADP GROUP.

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.

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 directors representing employees also contribute their point of view on subjects discussed. In addition, debates are enriched by two foreign directors.

The goal is to guarantee shareholders and the market that it will carry out its duties competently, independently and objectively. 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.

The age of the members of the Board of Directors is balanced, ranging from 46 to 68, and averaging 58. As regards the balanced representation

of women and men, of the 10 directors in question (the directors elected by employees are excluded from the calculation) as of 31 December 2018, five were women and five were men (50%).

Moreover, Aéroports de Paris implements a global non-discrimination and diversity policy. The Company and its subsidiaries joined the Corporate Diversity Charter in 2013. This framework contract on diversity was signed for Aéroports de Paris SA on 27 April 2017. 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 (since 1991), workplace equality for men and women (2003), the retention of seniors in employment (2009) and the employment and support of young people (2016).

This policy was discussed by the Board of Directors on 16 October 2018.

With respect in particular to the equality of women and men in the workplace, the agreement in effect (2018-2020) sets objectives to ensure job desegregation at all levels and for new hires, notably in management, and to identify and support women with potential. Women account for 36% of the members of the Management Committees and 8% of the Executive Committee.

## Summary presentation of the Board of Directors

	Age	Gender	Nationality	Number of shares as of 31/12/2018	Nombre mandats dans des sociétés cotées	Independence as defined in the AFEP-MEDEF Code	
						Non-independent	Independent
<b>CHAIRMAN AND CEO</b>							
<b>THE CURRENT MANDATE CAME INTO EFFECT ON 15 JULY 2014, FOR A TERM OF FIVE YEARS</b>							
Augustin de Romanet	57	Male	French	300	2		Chairman and CEO
<b>DIRECTORS APPOINTED BY THE GENERAL MEETING OF SHAREHOLDERS</b>							
<b>THE MANDATE CAME INTO EFFECT ON 15 JULY 2014, FOR A PERIOD OF FIVE YEARS</b>							
Jacques Gounon	65	Male	French	300	2		Independent director
Jacoba van der Meijs	52	Female	Dutch	1	1	Executive officer of Royal Schiphol Group, whose Board of Directors includes an ADP director	
Jos Nijhuis	61	Male	Dutch	1	1	Former executive officer of Royal Schiphol Group, whose Board of Directors includes an ADP director	
Vinci represented by Xavier Huillard	64	Male	French	7,916,848	2	Significant business relationship	
Predica represented by Françoise Debrus	58	Female	French	5,051,791	3		Independent director
<b>DIRECTOR REPRESENTING THE FRENCH STATE, APPOINTED BY DECREE ON 11 MAY 2017</b>							
<b>THE MANDATE CAME INTO EFFECT ON 11 MAY 2017, FOR A PERIOD OF FIVE YEARS</b>							
Solenne Lepage	46	Female	French	0 <sup>1</sup>	2	Majority shareholder	
<b>DIRECTORS APPOINTED BY THE GENERAL MEETING OF SHAREHOLDERS OF 11 MAY 2017, ON PROPOSAL BY THE FRENCH STATE</b>							
<b>THE MANDATE CAME INTO EFFECT ON 11 MAY 2017, FOR A PERIOD OF FIVE YEARS</b>							
Geneviève Chauv Debray	60	Female	French	0 <sup>1</sup>	1	Representative of the interests of the French State, shareholder	
Michel Massoni	68	Male	French	0 <sup>1</sup>	1	Representative of the interests of the French State, shareholder	
Denis Robin, resigned as of 30 October 2018	56	Male	French	0 <sup>1</sup>	1	Representative of the interests of the French State, shareholder	
Perrine Vidalenche	62	Female	French	0 <sup>1</sup>	1	Representative of the interests of the French State, shareholder	
<b>DIRECTORS REPRESENTING EMPLOYEES</b>							
<b>THE MANDATE CAME INTO EFFECT ON 15 JULY 2014, FOR A PERIOD OF FIVE YEARS</b>							
Brigitte Blanc (CGT union)	56	Female	French	0 <sup>2</sup>	0	Not included in the calculation	
Laurence Arrrieu (CFE/CGC union)	58	Female	French	0 <sup>2</sup>	0	Not included in the calculation	
Serge Gentili (FO union)	62	Male	French	0 <sup>2</sup>	0	Not included in the calculation	
Frédéric Gillet (CFE/CGC union)	46	Male	French	0 <sup>2</sup>	0	Not included in the calculation	
Jean-Paul Jouvent (UNSA/SAPAP union)	57	Male	French	0 <sup>2</sup>	0	Not included in the calculation	
Joël Vidy (CGT union)	58	Male	French	0 <sup>2</sup>	0		Not included in the calculation

<sup>1</sup> The directors representing the interests of the French State as a shareholder, are exempted from holding a minimum number of Company shares as set out in the Articles of Association (Articles 5 and 6 of order no. 2014-948 of 20 August 2014).

<sup>2</sup> The directors representing the employees are exempted from holding a minimum number of Company shares as set out in the Articles of Association (Article 21 of Law 83-675 of 26 July 1983).

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.

Initial date of appointment	Expiry of the mandate	Seniority on the Board	Audit and Risk Committee	Strategy and Investment Committee	Committee members		
					The Compensation, Appointments and Governance Committee	Ad-hoc committee Terminal T4 project	
29/11/2012	20/05/2019	6 years		Chairman X			
02/07/2008	20/05/2019	10 years	Chairman X			X	
23/05/2017	20/05/2019	1 year					
28/05/2009	20/05/2019	9 years		X			Chairman X
15/07/2014	20/05/2019	4 years				X	
15/07/2014	20/05/2019	4 years	X		Chairwoman X		X
24/09/2012	2022 General Meeting	6 years	X	X		X	X
15/07/2014	2022 General Meeting	4 years		X			X
26/04/2013	2022 General Meeting	5 years					X
22/04/2015	2022 General Meeting	3 years					
11/05/2017	AG 2022	1 year					
15/07/2014	15/07/2019	4 years					
23/02/2018	15/07/2019	1 year		X			X
15/07/2009	15/07/2019	9 years	X				
15/07/2014	15/07/2019	4 years					
18/12/2008	15/07/2019	10 years				X	X
01/03/2018	15/07/2019	1 year		X			

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## Board of Directors' attendance

<i>Director</i>	<b>Board of Directors</b>	<b>Audit and Risk Committee</b>	<b>Compensation, Appointments and Governance Committee</b>	<b>Strategy and Investment Committee</b>	<b>Ad hoc committee - T4 project 1 meeting</b>
Augustin de Romanet	100%			100%	
Jacoba van der Meijs	37.5%				
Jacques Gounon	100%	100%	100%		
Jos Nijhuis	75%			60%	100%
Vinci represented by Xavier Huillard	100%		100%		
Predica represented by Françoise Debrus	100%	100%	100%		0%
Solenne Lepage	100%	100%	100%	40%	0%
Geneviève Chaux Debry	100%			80%	100%
Michel Massoni	100%				
Denis Robin, resigned as of 31 October 2018	60%				
Perrine Vidalenche	100%				
Brigitte Blanc	87.5%				
Laurence Arrieu	100%			100%	100%
Serge Gentili	87.5%	33%			
Frederic Gillet	87.5%				
Jean-Paul Jouvent	100%		100%		100%
Joël Vidy	71.4%			75%	

## Duties of the Board of Directors

The Board of Directors is the collegial body of the Company that determines the direction of Aéroports de Paris' activities and oversees their implementation, as specified in Article 16 of its Articles of Association. It is dedicated to the long-term creation of value by the Company, taking into account the social and environmental impacts of its activities. It proposes all amendments to the Articles of Association that it deems necessary. 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](http://www.parisaeroport.fr). They specify the powers of the Board of Directors and its members, and its mode of operation, as well as that of its specialised committees: the Audit and Risk Committee, the Strategy and Investments Committee and the 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 and European 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 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 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. When a conflict is identified, the Board member must abstain from taking part in the discussion and 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 and 2018, the Board of Directors decided to undertake an internal assessment, the conclusions of which were reported during the Board of Directors' meetings of 20 December 2017 and 12 December 2018. The members of the Board of Directors were positive about the conditions under which 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 improve the monitoring of subsidiaries and affiliates and to develop CSR beyond simple compliance with regulations. In order to meet the recommendations resulting from the internal assessment of 2017, it has focused, in particular, on implementing monitoring of its equity investment in TAV, given its full consolidation.

## 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 sets the strategic directions for the Company's activities and oversees their implementation. It is dedicated to the long-term creation of value by the Company, taking into account the social and environmental impacts of its activities. 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 9 September 2005 as amended 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:

- ◇ examines the overall strategic guidelines of ADP GROUP at least once a year, particularly with regard to developments in the airline industry, as well as the competitive environment in which ADP GROUP 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 company and consolidated financial statements, draws up the management report (notably the statement of extra-financial performance) and the corporate governance 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;
- ◇ is 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 ADP GROUP's five-year investment and funding plan and examines its implementation every year;
- ◇ examines the annual budget of ADP GROUP 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 ADP GROUP;
- ◇ 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;

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- ◇ 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, as part of Say on Pay, to the ex-ante and ex-post votes of the Annual General Meeting of Shareholders, a resolution on the compensation of the corporate officers in question, in compliance with the legal and regulatory provisions in effect;
- ◇ 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;
- ◇ makes the amendments to the Articles of Association needed to bring them into line with legal and regulatory provisions, subject to the ratification of the modifications by the next Extraordinary General Meeting;
- ◇ examines on a regular basis, and in light of the strategy it has set, all opportunities and risks including financial, legal, operational, social and environmental risks and the measures taken as a result. For this purpose, the Board of Directors must receive all of the information it needs to accomplish its mission, notably from the Executive Officers;
- ◇ ensures, if required, the implementation of a system to prevent and detect corruption and influence peddling. It receives all information required for this purpose;
- ◇ it also ensures that the Executive Officers implement a non-discrimination and diversity policy, notably with respect to the balanced representation of women and men within the management bodies.

Generally, and excluding day-to-day management, all decisions that might affect the strategy of ADP GROUP, 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. All information and documents intended for members of the Board of Directors can be sent in digital format.

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.

Lastly, each member of the Board of Directors is entitled, either at the time of their appointment or over the course of their mandate, to training from the Company regarding the specificities of the Company, its subsidiaries, occupations, sector of activity and its challenges in terms of corporate social responsibility. 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' activity in 2018

The Board of Directors met eight times in 2018 with an attendance rate of 90%, to discuss the following subjects, in particular:

- ◇ governance, in particular with:
  - ◆ 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,
  - ◆ the compensation of the Chairman and CEO, with review of:
    - ◆ the achievement of objectives and the setting of the amount of variable compensation for 2017,
    - ◆ 2019 compensation: the amounts of the fixed and variable components and the associated objectives,
  - ◆ 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 4 May 2018,
  - ◆ review of the Rules of Procedure of the Board of Directors,
  - ◆ approval of the corporate governance report for the 2017 financial year,
  - ◆ the report of the Chairman and CEO on the road shows, notably regarding corporate governance topics,
  - ◆ the authorisations required prior to the signing of regulated agreements, re-examination of the regulated agreements authorised previously and in force in 2018,
  - ◆ the report of the Chairman of the Audit and Risk Committee on its mission to prevent conflicts of interest,
  - ◆ the creation of an *ad hoc* committee to review aspects of the Aéroports de Paris – Charles de Gaulle – Terminal 4 project;
- ◇ the management of the business and, in particular, approval of the company and consolidated financial statements for 2017 and the interim financial statements for 2018, adoption of the management report for 2017, preparation of the management planning documents and the report on the development of Aéroports de Paris, update of the Group's consolidated budget forecast for 2018, preparation of the Group's budget for 2019, setting the airport fees for the period from 1 April 2019 to 30 March 2020, the annual authorisation of sureties, endorsements and guarantees, authorisation of bond issues, payment of an interim cash dividend for the 2018 financial year;



- ◇ the Group's strategy and review of risks with, notably, a progress report on the "Connect 2020" strategic plan as of 31 December 2017, the 2019-2023 investment programme and related financing plan, the Board of Directors' response to the opinion of the Works Committee, review of the main investment projects (CDG Express project, etc.), presentation of the main issues for the Terminal 4 project and the status of ADP GROUP's risk mapping in 2018;
- ◇ international development with, notably, the regular update on TAV Airports, participation in the call for tenders for the international airports concession;
- ◇ Aéroports de Paris' contribution to the French Compensation Fund for Airport Nuisance (FCNA);
- ◇ CSR, and notably Aéroports de Paris' policy in terms of non-discrimination and diversity, in particular with respect to the balanced representation of women and men in management bodies and in terms of professional equality and equal pay, safety at work and the 2017 materiality study; the most significant CSR stakes and the Ethics and Compliance programme.

## 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. On 21 November 2018, the Board of Directors created an *ad hoc* committee to review aspects of the Aéroports de Paris - Charles de Gaulle - Terminal 4 project (its composition is shown in the summary table). The purpose of the committees is to contribute to the preparation of the Board of Directors' decisions by issuing opinions that are then presented to the Board. The chairmen of the committees or a member appointed by them shall report to the Board of Directors on the proceedings and the opinions rendered by the said committees. Their powers and specific modalities of operation are described in the rules of procedure that can be consulted at [www.parisaeroport.fr](http://www.parisaeroport.fr). Their composition and activity during financial year 2018 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. 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 Company and Group management or they may hire experts

or external advisers, 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.

At 31 December 2018 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 the accuracy and truthfulness of the company and consolidated financial statements and oversees the preparation of financial and extra-financial information. It monitors the Statutory Auditors through completion of their missions and ensures their independence. It monitors the effectiveness of the internal control and risk management systems, including those of a social and environmental nature, as well as 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 (notably responsible for CSR subjects), 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 2018

The Audit and Risk Committee meets at least four times a year and as often as necessary, and can only meet if half of its members are present. In 2018, it met six times with an attendance rate of 83%. The Statutory Auditors attended all of the committee meeting.

During its meetings, the committee examined in particular files relating to:

- ◇ the closing of the 2017 company and consolidated financial statements and 2018 half-yearly financial statements, the adoption of the 2017 management report, the update of the 2018 consolidated budget forecast, the establishment of management planning documents and the progress report on the development of Aéroports de Paris, the 2019 consolidated budget, the setting of the airport fees for the period from 1 April 2019 to 30 March 2020, the appropriation of 2017 income,


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the setting of the dividend, the distribution of interim dividends and financial delegations;

- ◇ the corporate governance report for the 2017 financial year;
- ◇ the status of 2018 risk mapping for the Group and its subsidiaries, the summary of the 2017 internal audit activity and the Audit Department's 2018 audit programme;
- ◇ the Ethics and Compliance action plan;
- ◇ review of the Rules of Procedure of the Board of Directors;
- ◇ monitoring of off-balance sheet commitments by monitoring sureties, endorsements and guarantees;
- ◇ authorisation for bond issues in 2019;
- ◇ monitoring of the main investment projects (CDG Express, etc.);
- ◇ international development, notably:
  - ◆ regular update on TAV Airports,
  - ◆ the increased stake in the capital of Airport International Group (AIG) in Jordan, bringing ADP GROUP's share to 51% of the capital,
  - ◆ the participation in the call for tenders for the international airports concession;
- ◇ the Audit and Risk Committee's approval process for services other than certification of the financial statements provided by the Statutory Auditors 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 2018 it consisted of the following six members: Augustin de Romanet, Chairman, Geneviève Chauv Debry, Laurence Arrieu, Solenne Lepage, Joël Vidy 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 ADP GROUP;
- ◇ the Company's strategic guidelines;
- ◇ the guidelines of ADP GROUP 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 2018

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 2018, it met five times with an attendance rate of 77%. Notably, a strategic seminar of the Board of Directors was also held on 21 November 2018.

During its meetings, it has in particular covered:

- ◇ the Group's strategy and investments as illustrated by the progress report of 31 December 2017 on the "Connect 2020" strategic plan, by

the 2019-2023 investment programme and the related financing plan and the review of the main investment projects (CDG Express, etc.);

- ◇ review of the Rules of Procedure of the Board of Directors;
- ◇ international development with, notably the regular update on TAV Airports, participation in the call for tenders for international airport concessions;

## 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.

At 31 December 2018 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 study and formulate proposals on the amount of, and change in, total compensation (and each of its components) 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 for the remuneration of non-voting Board members. It proposes to the Board of Directors a policy for the reimbursement of expenses incurred to carry out the duties of a director.

The Committee is responsible for making proposals to the Board after an in-depth review of all elements to be taken into account for its deliberation, notably given the composition and changes in the Company's shareholding, in order to ensure the balanced composition of the Board: balanced representation of women and men, nationalities, international experience, expertise, etc. It organises, in particular, a procedure for selecting future independent directors and undertakes its own investigation of potential candidates before contacting them. It must debate the qualifications of independent directors and implement a formal assessment of the operation of the Board of Directors.

The Committee is responsible for preparing a succession plan for the Executive Officers.

## THE ACTIVITY OF THE COMPENSATION, APPOINTMENTS AND GOVERNANCE COMMITTEE IN 2018

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 2018, it met twice with an attendance rate of 100%.

During its meetings, the committee debated on such items as:

- ◇ governance, in particular with:
  - ◆ 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,
  - ◆ internal appraisal of the operation of the Board of Directors,
  - ◆ the compensation of the Chairman and CEO with:
    - ◆ variable compensation for 2017 - achievement of objectives and amount of the variable component,
    - ◆ 2018 compensation: amount of the fixed component and estimate of the achievement of the objectives for the variable component,
    - ◆ 2019 compensation: setting the amount of the fixed component and the amount and objectives for the variable component,
    - ◆ submission to the Annual General Meeting of Shareholders of the ex-ante and ex-post resolutions on Chairman and CEO compensation,
  - ◆ review of the succession plan for the Executive Officer and of the management continuity measures;
- ◇ attendance fees: final amounts and allocation for the 2017 financial year and estimate of the amount for 2018;
- ◇ summary of the expenses incurred by the members of the Board of Directors in 2018;
- ◇ the compensation policy for members of the Executive Committee.

## 2.6 Executive Management

Augustin de Romanet was renewed in his functions of Chairman and CEO 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 CEO.

The Compensation, Appointments and Governance Committee has ensured that a succession plan is in place for the Executive Officer and that management 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.

## 2.7 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 on the powers of the Chairman and CEO 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 and CEO 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 the ADP GROUP; definition of the purpose and profitability of those investment projects directly carried out by Aéroports de Paris SA costing more than €60 million; disposal of assets or external development investments of more than €30 million for the improvement or operation of airport facilities in France and any other activities over €20 million; the principles of allocation of airlines between airports or terminals; the approval of contracts as laid down in articles 2 and 3 of law n°2005-357 of 20 April 2005 in respect of airports;
- ◇ pricing: approval of the 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.

## 2.8 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 <http://www.afep.com/publications/le-code-afep-medef-revise-de-2018/>) waived and the reasons why are provided below.

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## 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 12 December 2018, 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 the Company;
- ◇ 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.

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 years<sup>1</sup>;

- ◇ a customer, supplier, corporate or investment<sup>2</sup> banker or adviser:
  - ◆ 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.) are explained in the report on corporate governance:

- ◇ 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. This opinion was confirmed by the internal assessment reported on 12 December 2018. 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 appointed by the General Meeting of Shareholders must personally own a significant number of

shares in the Company with respect to the amount of attendance fees granted. 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 retaining 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.

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## 2.9 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, as amended by the Combined General Meeting of 11 May 2017, are available at [www.parisaeroport.fr](http://www.parisaeroport.fr).

Since 3 April 2016, pursuant to article L. 225-123 of the French Commercial Code, fully freed-up shares which have been registered for at least two years in the name of the same shareholder, automatically enjoy double voting rights.

<sup>1</sup> Thus, Mr X, an Executive Officer in company A, may not be considered independent as regards company B if:

- company B is a Director of company A, either directly or via a subsidiary (indirectly); or company B has nominated an employee as a Director of A; or
- if an executive officer of B is a director of company A (or has been within the last five years).

<sup>2</sup> Or is directly or indirectly linked to these individuals.

### 3. 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".

#### 3.1 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 2018.

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 2018, the French government held 50.6% of the Company's capital and voting rights.

The draft PACTE bill definitively adopted by Parliament contains provisions that allow the French State's holding to be less than 50% of the capital and voting rights in the Company.

#### 3.2 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 of or voting rights in Aéroports de Paris may lose the right to vote relating to the securities exceeding the limits subject to disclosure at a General Meeting of Shareholders.

#### 3.3 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 threshold 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 companies it controls, is therefore 5.14% of the share capital and 5.69% of the voting rights following this event.

The Company is not aware of the crossing of any statutory thresholds that could have an effect in the event of a public offer.

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.

### 3.4 Special control rights

None of Aéroports de Paris' shares confer special rights on their holder.

### 3.5 Staff shareholder structure

A company investment fund (FCPE), FCPE ADP ACTIONNARIAT SALARIE, was created for the purposes of holding and managing shares acquired by rights-holders linked to companies included within the Group Savings Scheme (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. The representatives of employees holding shares are elected by the shareholders. 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 the General Meetings of Shareholders of the Company.

### 3.6 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-equity investments between Aéroports de Paris and the Schiphol Group, two agreements have been signed:

- ◆ a shareholder agreement concerning Aéroports de Paris, signed by the French government authorities and the Schiphol Group, in the presence of Aéroports de Paris; and
- ◆ an exit agreement (the *Exit Agreement*) signed by Aéroports de Paris and the Schiphol Group.

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.

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#### 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);
- ◆ 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;

<sup>1</sup> See also the paragraph in Chapter 6 entitled "Partnership with Schiphol Group".

- ◇ 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.

### 3.7 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.

### 3.8 Powers of the Board of Directors

The General Meeting of Shareholders of 4 May 2018 authorised the Board of Directors to transact in the Company's shares at any time.

The General Meeting of Shareholders of 4 May 2018 granted the Board of Directors financial powers which may be implemented at any time.

### 3.9 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.

### 3.10 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.





# ANNUAL FINANCIAL REPORT

This Registration Document includes the aforementioned annual financial report, prepared pursuant to Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the AMF General Regulation. The documents referred to in Article 222-3 of the aforementioned Regulation and the corresponding sections of this Registration Document are set out below.

**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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