



Notes to the Company Financial Statements

December 31, 2016



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Company Financial Statements and Notes of Aéroports de Paris SA at December 31, 2016

Income Statement

(in millions of euros)

	Notes	2016	2015
Revenue	5.1	2,744	2,735
Changes in finished goods inventory	5.2	6	-
Capitalised production	5.3	56	47
Reversal of provisions and expense transfers	5.7	46	32
Capital grants amortisation		2	1
Other operating income		14	4
Operating income		2,868	2,820
Purchases and external expenses	5.4	(818)	(782)
Taxes other than income taxes	5.5	(251)	(230)
Employee benefit costs	5.6	(585)	(590)
Other operating expenses		(24)	(18)
Depreciation, Amortisation and provision	5.7	(471)	(464)
Operating expenses		(2,148)	(2,085)
Operating income		719	734
Financial income		70	110
Financial expenses		(143)	(156)
Financial income	5.9	(72)	(46)
Income before tax		648	688
Extraordinary income		120	72
Extraordinary expenses		(132)	(111)
Extraordinary income	5.10	(12)	(39)
Employees' profit sharing	5.11	(22)	(20)
Income taxes	5.8	(214)	(233)
Net income		399	397



Assets

(in millions of euros)	Notes	As at Dec 31, 2016			As at Dec 31, 2015
		Gross Amount	Amortization or depreciation	Net amount	
Intangible assets	6.1	242	(183)	59	80
Property, plant and equipment	6.1	11,509	(5,722)	5,787	5,798
Fixed assets under construction	6.1	792	-	792	494
Advances and deposits	6.1	37	-	37	39
Financial assets	6.2	1,428	(65)	1,363	1,355
I - Fixed assets		14,008	(5,970)	8,038	7,767
Inventories		16	-	16	11
Advances and deposits		16	-	16	16
Trade receivables	6.3	460	(19)	441	422
Other receivables	6.3	145	(18)	127	110
Marketable securities	6.4	1,566	-	1,566	1,601
Cash	6.4	63	-	63	116
Prepaid expenses	6.5	15	-	15	18
II - Current assets		2,281	(37)	2,244	2,295
III - Bond redemption premiums	6.6	15	-	15	17
IV - Translation adjustments - Assets		4	-	4	1
Total assets		16,308	(6,007)	10,301	10,080

Liabilities

(in millions of euros)	Notes	As at Dec 31, 2016	As at Dec 31, 2015
Share capital		297	297
Premiums		543	543
Revaluation difference		24	24
Reserves and retained earnings		1,922	1,786
Profit/loss for the period		399	396
Interim dividend		(69)	(70)
Investment grants		43	42
Regulated provisions		1,140	1,104
I - Equity	6.7	4,298	4,121
II - Provisions	6.8	434	430
Financial debt	6.9	4,446	4,445
Trade payables and related accounts	6.10	181	202
Tax and employee-related liabilities	6.10	261	286
Debts on fixed assets and other liabilities	6.11	523	451
Deferred income	6.5	158	145
III - Debts		5,569	5,529
IV - Bond redemption premiums		-	-
V - Translation adjustments - Liabilities		-	-
Total liabilities		10,301	10,080



Cash flow statement

(in millions of euros)

	Notes	2016	2015
Operating income		719	734
Net depreciation and provisions for liabilities and expenses		439	435
Financial income and expenses (excluding debt)		8	5
Change in working capital	7.1	(79)	24
Tax expenses paid minus tax received		(221)	(229)
Cash flows from operating activities		867	970
Proceeds from sale of subsidiaries		3	5
Acquisition of subsidiaries	6.2	(9)	(15)
Purchase of property, plant, equipment and intangible assets	6.1	(774)	(509)
Change in other financial assets		(6)	(5)
Proceeds from sales of fixed assets (net of the change in receivables)		27	6
Dividends received	5.9	32	60
Change in debt and advances on asset acquisitions		29	75
Cash flows from investing activities		(698)	(383)
Capital grants received in the period		15	4
Net disposal (purchase) of treasury shares		12	(24)
Dividends paid	6.7	(258)	(311)
Proceeds from long-term debt	6.9	7	503
Repayment of long-term debt	6.9	(4)	(172)
Change in other financial liabilities		93	(23)
Net financial interest paid		(109)	(100)
Cash flows from financing activities		(244)	(122)
Change in cash and cash equivalents		(75)	464
Cash and cash equivalents at opening		1,692	1,228
Cash and cash equivalents at closing	7.2	1,617	1,692



NOTE 1 Description of activity

Aéroports de Paris owns and operates the three main airports in the Paris region (Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget), 10 general aviation aerodromes and the Issy-les-Moulineaux heliport.

Its business lines are primarily the following:

- ◆ Aviation activities - As an airport operator, Aéroports de Paris is involved in all stages of the journey through the airport of passengers and goods, by optimising the flow of aircraft and of cargo, as well as passenger flows, security checkpoints and baggage;

To do this, the company:

- continuously improves the quality of its aeronautical infrastructure and relevant access points in compliance with the investment programme outlined in the Economic Regulation Agreement "ERA" and
- offers a range of services adapted to the needs of passengers, airlines and freight operators.
- ◆ Retail and services - As a lessor, land developer, business sponsor and manager, Aéroports de Paris is involved in the operations:
 - of shops, bars and restaurants within airport terminals, through joint ventures (such as Société de Distribution Aéroportuaire, Média Aéroports de Paris and Relay@ADP),
 - of car parks and rental premises in airport terminals.

- ◆ Real estate - Aéroports de Paris has considerable land reserves and has full ownership over high quality assets surrounding its terminals. This enables the company to:

- manage real estate projects to meet its own needs and those of businesses seeking to establish operations within its airports and
- manage assets (business strategy, refurbishments), lease management (generally long-term leases), and offer real estate services to its customers.

Additionally, Aéroports de Paris has shareholdings in businesses that work in airport activity (design, construction and operation) in France and abroad.

Aéroports de Paris has been a public limited company since 22 July 2005 and operates under regulated conditions. The second multi-annual agreement, known as the "Economic Regulation Agreement" or "ERA", sets the cap for airport fees for the 2011-2015 period. Under these regulations, the airport operator receives a fair return for capital invested as part of its missions within the regulated scope. This scope includes all Aéroports de Paris activities at airports in the Paris region with the exception of business and services activity, non-airport-related land and real estate activity and safety or security activity financed by the airport tax. Also included in this scope is Aéroports de Paris' management of local resident assistance with soundproofing, and other activities carried out by subsidiaries.

A third "ERA" contract was signed on 31 August 2015 by Aéroports de Paris and the French State for the 2016-2020 period. The main provisions of this agreement are presented in Note 3 "Highlights of the financial year".

NOTE 2 Relations with the subsidiaries

2.1 Tax consolidation

Aéroports de Paris operates under a tax consolidation system with companies in which it directly or indirectly holds over 95% of the share capital. (cf note 6.2 Table of subsidiaries and shareholdings) The tax consolidation conventions that link Aéroports de Paris to its subsidiaries are all strictly identical and state:

- ◆ that the subsidiary is to pay the parent company the same amount as the tax it would have otherwise paid had it been taxable separately;
- ◆ that the subsidiary is not entitled to any debt rights in the event of the latter having a tax deficit.

2.2 Cash management

Aéroports de Paris and its main subsidiaries have drawn up agreements to implement a centralised cash management system, otherwise known as cash pooling agreements. These cash pooling agreements stipulate that cash operations are to be pooled under a centralising account.

This pooling, which is achieved by automatically equalising subsidiary accounts to the centralising account on a daily basis, ensures the best possible management of both loan support and investment of surplus cash.

Euro payments made in advance by Aéroports de Paris to the subsidiaries bear monthly interest at the EONIA rate +0.65%. Those made by the subsidiaries to Aéroports de Paris bear monthly EONIA interest rates.



Advance payments in US dollars are remunerated at the LIBOR overnight rate +0.65%, if made by Aéroports de Paris or LIBOR overnight -0.07%, if made by the subsidiaries.

It is specified that if EONIA and/or LIBOR overnight minus the spread of -0.07% rates were to become negative, monthly rates for advance payments would have an upper limit of 0%

Current accounts as part of the cash pooling agreements between Aéroports de Paris and its subsidiaries are presented as "other debts" when there is a credit balance and as "other receivables" when there is a debit balance

NOTE 3 Significant events

Merger by absorption of Tank Holding OW

Aéroports de Paris SA has initiated a transnational merger procedure in order to absorb Tank Holding OW, a company which indirectly owns TAV Airports and TAV Construction. The merger became effective on the issuance date of the certificate of legality i.e December 23, 2016.

Given that ADP SA wholly owned Tank Holding OW, the merger was operated under the simplified merger regime.

The difference between the book value of securities in ADP SA accounts and the book value of assets and liabilities from the absorbed company generated a 23 million euros asset ("technical loss on merger") as of December 31 2016.

NOTE 4 Accounting principles applied to the financial statements

4.1 Accounting principles

Aéroports de Paris' annual accounts are drawn up in compliance with accounting principles and methods defined in regulation no. 2014-03 of the Accounting Regulatory Committee of 5 June 2014 and modified by the regulation ANC 2015-06.

4.2 Changes in accounting principles and comparability of periods

New developments introduced by the ANC 2015-06 regulation applicable prospectively as from the financial year opened on January 1st 2016 concern the evolution of the technical loss on merger. New rules led to a reallocation of the Aéroports de Paris's business assets:

- ◆ Technical loss on merger is allocated on specific accounts in the same aggregate than the assets to which they are allocated to (tangible, intangible, financial or current assets). It is amortized, depreciated and written-off under the same conditions than their underlying assets.

4.3 Revenues

ADP SA revenue breaks down as follows

Airport and ancillary fees

The pricing of these fees is governed by the Economic Regulation Agreement (ERA) for the 2016-2020 period signed with the French State (except for the service fee for assistance to the disabled people and those with reduced mobility). This multi-annual agreement sets the cap for airport fees for the 2016-2020 period. Under these regulations, the airport operator receives a fair return on capital invested as part of its missions within the regulated scope. This scope includes all Aéroports de Paris activities at airports in the Paris region with the exception of activities related to retail and services, land and real estate activities that are not aviation-related, activities linked to security and safety financed by the airport tax. Also included in this scope is the management by Aéroports de Paris SA of assistance with soundproofing for local residents.

Fees are recorded for the period during which the service is provided.

Airport fees include fees per passenger, landing fees and parking fees, calculated respectively according to the number of boarded passengers, parking time and the weight of the aircraft.

Ancillary fees include fees for the provision of facilities such as check-in and boarding desks, baggage sorting facilities and fixed installations for the supply of electricity; fees for support services for disabled people and those with reduced mobility; and other ancillary fees linked to check-in and boarding technology, airport circulation (badges), and the use of solid waste shredding and de-icing stations.



Revenue from airport safety and security services:

Aéroports de Paris SA receives revenue within the context of its public service mission for security, air transport safety, rescue and firefighting of aircrafts. This revenue covers the costs incurred in this mission. It is paid by the Direction Générale de l'Aviation Civile (DGAC) which funds it through the airport security tax levied on airlines companies. This revenue is recognized as the estimated costs eligible for reimbursement by the DGAC are incurred.

Revenue from retail and services

Revenue from retail and services is comprised of variable rents paid by business activities (shops, bars and restaurants, advertising, banks and currency exchange, car rental agencies, other terminal rentals) that are accounted for as income for the financial year in which it was generated; and rental income which corresponds to the fixed income received attached to leased areas in airports. This aggregate also includes the revenue related to the construction of a metro station in Paris-Orly on behalf of the company "Société du Grand Paris". As studies and works of the metro station will be carried out over the period from 2016 to 2024, Aéroports de Paris SA recognize the revenue using the percentage of completion method. In so far as the overall profit or loss on completion of this project cannot be reliably determined, the revenue is taken account in the limit of the costs incurred.

Revenue from car parks and access routes

Revenue concerns mainly the management of car parks and access (roads, shuttles, bus stations etc.) and is recorded when the customer is using the service.

Revenue from industrial services

Industrial services comprise: production and supply of heat for heating purposes, production and supply of cool air for air-conditioned facilities and chilled water distribution networks, the supply of drinking water and waste water collection, waste collection and the supply of electrical current. This revenue is accounted for during the period in which the service was provided.

Real estate revenue

Real estate revenue is comprised of rental income from real-estate shares related to airport activity (except airports) and diversified real estate. This revenue is derived from operating leases. Fixed payments are on a straight-line basis over the term of the lease. Rental charges due from tenants are accounted for as rental income.

Other revenue

Other revenue include:

Financial income generated as the lessor on financial leases is recognized as revenue in order to provide an accurate picture of the financial performance, notably in the real estate segment, where these proceeds are recognized.

4.4 Fixed assets

Gross value

Intangible and tangible fixed assets are valued at cost.

Assets produced in-house include all costs directly linked to producing and putting the relevant asset into operation. These costs include:

- ◆ The acquisition cost of goods used to construct the asset,
- ◆ The cost of employees involved in the construction and commissioning of the asset,
- ◆ Other essential and unavoidable costs towards producing and putting the asset into operation for the purposes of the company's intended use.



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

Useful lives are re-evaluated at each year-end based on the investment and continuation programme for existing assets.

Fixed assets are tested for depreciation whenever there are indications that their value may be impaired.

Aéroports de Paris uses options provided within tax legislation in terms of accelerated depreciation. The difference between tax depreciation and straight-line depreciation is accounted for as a regulated provision on the balance sheet.

4.5 Financial assets

Equity securities are entered on the balance sheet at their acquisition cost without acquisition fees.

Their value is examined at the end of each period by referencing the value in use. This is estimated on the share of equity that the securities represent, translated at the year-end exchange rate for foreign companies and rectified, if necessary, to account for the embedded value of the companies. The methods used to evaluate the latter take particular account of forecast cash flows and comparable multiples.

If the value in use of these securities becomes inferior to their accounting value, a depreciation for the difference is recorded.

Loans and receivables are entered at their nominal value plus accrued interest. A depreciation may, if necessary, be recorded in the case of probable loss characterised by a decrease in repayment nominal value.

Following the adoption of the ANC 2015-06, technical losses on merger allocated to financial assets, which were formerly classified as intangible assets until 2015 year-end, are since January 1st 2016 classified in the "Other financial assets" caption. These items are made of the discrepancy between

the net assets received and the book value of securities of the merged company.

Once a year, these technical losses are submitted to an impairment test and if need be, a depreciation is booked permanently. Indeed depreciation on technical losses cannot be reversed.

4.6 Inventories

Inventories are composed of consumable goods- such as spare parts, safety components, small maintenance equipment and production, in stock to be charged to third parties. Spare parts and maintenance equipment are recorded at their cost of acquisition and are measured at the weighted average cost. Engineering studies are valued at full cost.

If the net realizable value of the stocked item falls below the average weighted cost, depreciation is recorded for the difference.

4.7 Receivables

Receivables are valued at their nominal value. Those in foreign currency are converted at the closing exchange rate, for the non-written down part of the receivables.

These receivables may be written down to take into account the difficulty of recovery, in application of the following method:

- ◆ unrecovered debts are transferred to bad debts if they are unbalanced on the date of the opening of a recovery or judicial liquidation procedure, and when the risk of non-recoverability is significant (predictable voluntary liquidation, cessation of activity of foreign customers)



- ◆ bad or litigious debts are written down following the status of each accounting document (debt prior to voluntary liquidation, claim pending, litigation, etc.) or the solvency of the customer for debts due (legal proceedings pending, foreign customers without assets in France, etc.)

4.8 Marketable securities

Securities are accounted for at their historical acquisition value. When the liquidation value of these securities is greater than the purchase price, it cannot be used as carrying value in the balance sheet; otherwise, any unrealised loss results in a write-down.

4.9 Issuance expenses and redemption premiums of bonds

Expenses for the issuance of bonds are directly entered as financial expenses on the date of issuance. When the issuance price is lower than the redemption value, the difference is recognised as an asset and is entered as a financial expense spread across the duration of the loan.

4.10 Prepaid expenses and deferred income

Payables entered that relate to commodities or services not yet received are entered on the assets side of the balance sheet under "Prepaid expenses".

Payables entered that relate to commodities or services not yet delivered are entered on the liabilities side of the balance sheet under "Deferred income".

4.11 Asset and liability translation differences

On the closing date for the Group financial statements, when the applied exchange rate has modified the euro amounts previously entered, the translation differences are entered on the assets side of the balance sheet when the difference is an unrealised loss and on the liabilities side of the balance sheet when the difference is an unrealised gain. A provision for exchange rate risk is entered for unrealised losses.

4.12 Investment subsidies

Aéroports de Paris is allocated equipment subsidies in order to acquire or create fixed assets. The subsidies are entered under equity and are recorded in tandem with the depreciation schedule of the associated assets.

4.13 Regulated provisions

Regulated provisions consist mainly of accelerated depreciations. These additional depreciations are recorded with the sole aim of obtaining tax benefits and do not reflect any depreciation of the underlying asset. They are entered as equity under the "regulated provisions" section to compensate for the extraordinary income.

4.14 Provisions for risks and expenses

Provisions for risks and expenses are mainly comprised of employee benefit provisions, which cover staff benefits on a long-term basis.

Long-term staff benefits

Employee benefit provisions cover defined benefit schemes and other long-term benefits but do not cover defined contribution schemes.

DEFINED BENEFIT SCHEMES

Aéroports de Paris funds all of the following defined benefit schemes in order to meet its employee benefit obligations:

- ◆ retirement benefit schemes;
- ◆ mutual health insurance for the retired;
- ◆ PARDA pre-retirement scheme;
- ◆ three additional retirement benefit schemes ;
- ◆ Rewards for long-service

The company's net obligation regarding defined benefit schemes is evaluated separately for each scheme. This is done by estimating the amount of future benefits acquired by employees in exchange for services rendered during the current and past periods. This amount is updated in order to determine its current value, and reduced by the fair value of the scheme's assets and unrecognised past service costs. The discount rate is equal to the rate, at the closing date, based on high-quality bonds with a maturity date close to that of the company's commitments. A qualified actuary performs the calculations by using the projected unit credit method.

The fraction of cumulative unrecognised actuarial differences exceeding 10% of the highest amount between the bond's current value for defined schemes and the fair value of the scheme's assets are entered on the profit and loss statement over the expected average remaining working lives of employees participating in the scheme.

The actuarial assumptions are outlined in note 6.8.

OTHER LONG-TERM BENEFITS

Aéroports de Paris also funds other long-term benefits such as the PARDA pre-retirement scheme and long-service awards. The company's net obligation regarding long-term



benefits, other than retirement schemes, is equal to the amount of future benefits acquired by employees in exchange for services rendered during the current and past periods. These benefits are discounted and deducted, if necessary, from the fair value of the scheme assets. The discount rate is equal to the interest rate, at the closing date, based on high-quality bonds with maturity dates close to those of the company's commitments. The amount of the obligation is determined by using the projected unit credit method. Actuarial differences are entered on the profit and loss statement during the period in which they occur.

DEFINED CONTRIBUTION SCHEMES

Defined benefit schemes are post-employment benefit schemes whereby an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay any additional contributions. The contributions to be paid to a fixed contributions scheme are entered as expenses linked to employee benefits when they are due. Contributions paid in advance are recorded as an asset to the extent that a cash refund or a reduction in future payments is available.

Other provisions for liabilities and expenses

Other provisions for liabilities and expenses are intended to cover liabilities inherent in the company's line of business, liabilities resulting from litigation, fines or penalties.

These provisions are accounted for when they meet the following criteria:

- ◆ There is an obligation towards a third party arising from a past event where it is likely or certain that it will result in a disbursement of funds to the benefit of that third party with no equivalent consideration from that beneficiary;
- ◆ The amount can be reliably estimated.

Contingent liabilities are detailed in the notes to the financial statements when the entity has a potential obligation towards a third party arising from events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

4.15 Payables

Financial payables

FOREIGN CURRENCY TRANSACTIONS

At year-end, foreign currency denominated monetary balances, except for those hedged by currency swap contracts, are translated at closing exchange rates. Perfectly hedged operations, particularly financial payables in foreign currencies, are presented at the hedged rate.

DERIVATIVE FINANCIAL INSTRUMENTS

Aéroports de Paris manages market risks related to fluctuations in interest rates and rates of exchange through the use of derivative financial instruments, particularly interest rate swaps and currency swaps. All these instruments are used for hedging purposes and are strictly backed up by assets. The income and expenses related to the use of these derivative instruments for hedging are entered symmetrically with the accounting of the income and expenses of the hedged transactions. Equalisation payments received or paid during the setting up of swaps covering both the principal sum and the interest are entered for the duration of the contracts as an interest rate adjustment.

Other debts

Operating payables and other debts are accounted for when in accordance with a company order, the goods have been delivered or the service has been carried out.

4.16 Definition of net cash and cash equivalents

Net cash and cash equivalents are constituted as financial instruments, which allow Aéroports de Paris to manage short-term cash requirements and surpluses without taking any major risks.

Net cash is composed of:

- ◆ Cash accounts,
- ◆ Deposit accounts,
- ◆ Time deposit accounts,
- ◆ investment securities that do not present a significant risk of a change in value due to their nature and that can easily be converted into cash flow because of an available market or potential buyer,
- ◆ short-term investments which do not carry any material impairment risk and can be converted instantly into cash, less bank overdrafts and related accrued interest.



NOTE 5 Notes to the income statement

5.1 Breakdown of revenue

(in millions of euros)	Activities			2016	2015
	Aviation	Retail and services	Real estate		
Airport fees	1,003	-	-	1,003	998
Revenue from airport safety and security services	480	-	-	480	486
Retail activities	-	430	2	432	435
Rental income	20	108	198	326	323
Ancillary fees	220	12	-	232	222
Car parks and access roads	-	175	-	175	177
Ground-handling	-	-	-	-	-
Industrial services revenue	-	42	-	42	46
Other revenue	26	23	5	54	48
Total	1,749	790	205	2,744	2,735

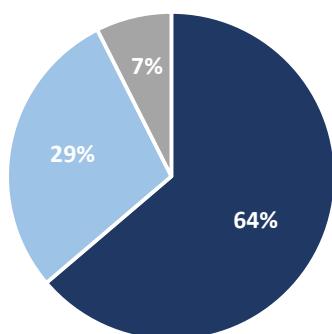
Turnover in 2016 remains stable +0.33% (+9 million euros) and amounts to 2 744 million euros. The slight increase is mainly explained by :

- ◆ Ancillary fees which increased by 10 million euros due to a new baggage sorting facilities fee implemented as of April 1st, 2016 (+ 6 million euros) and an update of the baggage sorting fee negotiated with Air France (+2 million euros).
- ◆ An Increase in other revenue (+ 6 million euros)
- ◆ Airport fees increased by 5 million euros due to a rise in passenger traffic (+1.8% compared to last year) and the 2.4% tariffs increase between 1 April 2015 and 31 March 2016.
- ◆ Rental income from bars and restaurants (+ 8 million euros) and shops before customs (+3 million euros)

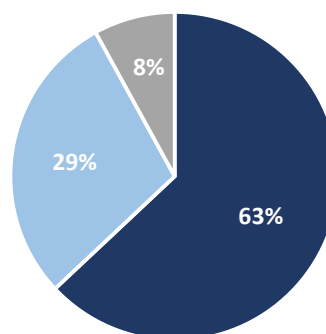
This increase is offset by :

- ◆ An unfavorable costs base effect in 2015 related to revenue from airport safety
- ◆ A decrease in car parks income -1,13% (-2 million euros) due to lower activity
- ◆ A decrease on retail activities revenues (- 3 million euros)

Breakdown of revenue 2016



Breakdown of revenue 2015



5.2 Changes in finished goods inventory

Engineering studies transferred to inventories amount to 6 million euros and correspond on the one hand to engineering studies carried out by Aéroports de Paris employees valued at full cost and on the other hand, the purchase of studies.

5.3 Capitalised production costs

<i>(in millions of euros)</i>	2016	2015
Capitalised production	56	47

Capitalised production primarily represents the internal cost related to employees who participate in projects for the construction of company assets, particularly in studies, works supervision or project-management assistance.

5.4 Purchases and external expenses

<i>(in millions of euros)</i>	2016	2015
Electricity	(25)	(24)
Water, gas and fuel	(12)	(13)
Operational supplies and small-format equipment	(11)	(11)
Other consumables	(19)	(17)
Consumables	(67)	(65)
General sub-contracting	(459)	(456)
Security	(223)	(223)
Cleaning	(73)	(72)
Transport	(29)	(31)
Other	(134)	(130)
Maintenance and repairs	(130)	(123)
Post and communication costs	(29)	(27)
Insurance	(13)	(10)
Remuneration of intermediaries and fees	(25)	(22)
Advertising, publications, public relations	(35)	(22)
Rental and leasing expenses	(18)	(13)
External personnel	(10)	(10)
Other external expenses	(32)	(33)
External expenses	(751)	(717)
Total purchases and external expenses	(818)	(782)

External purchases and expenses amount to 818 million euros as of 31 December 2016, compared to 782 million euros in the previous year. This represents an increase of +4.6% (+36 million euros).

The latter can be mainly explained by the 12 million euros increase in spending on Advertising, publications and public relations, due to the rollout of the new Paris Aéroports brand.



5.5 Taxes other than income taxes

<i>(in millions of euros)</i>	2016	2015
Property tax	(91)	(83)
Territorial financial contribution	(63)	(54)
Non-refundable VAT on safety expenditure	(52)	(50)
Tax on earnings	(21)	(21)
Other taxes	(24)	(22)
Taxes other than income taxes	(251)	(230)

Duties and taxes are up by 9.13% and amount to 251 million euros as of 31 December 2016.

This increase is mainly due to :

- ◆ The increase in the regional economic contribution (+9 million euros) which is due to past tax litigations settlements offset by related reversal of provisions.
- ◆ The rise in property tax + 8 million euros comprising :
 - +3.4 million euros from tax declarations for additional facilities and
 - +4.6 million from the updated tax rates and rental value for current facilities

Other taxes are mainly made up of the office and parking areas tax amounting to 7 million euros, the company social solidarity contribution amounting to 4 million euros, the noise pollution fee amounting to 5 million euros and the sanitation tax for the amount of 6 million euros.

5.6 Employee benefit costs

<i>(in millions of euros)</i>	2016	2015
Salaries	(380)	(375)
Social security expenses	(165)	(165)
Profit-sharing bonus	(14)	(18)
Payments to Works Council	(18)	(22)
Tax credit for competitiveness and employment	4	4
Other employee expenses	(12)	(13)
Employee benefit costs	(585)	(590)

Staff costs totalize 585 million euros as of 31 December 2016 and decreased by 5 million euros compared to previous year.

The profit sharing bonus for 2016 and payable in 2017 decreased by 4 million euros.

The company headcount decreased by 0.9% which led to a decrease in salaries of about 3,7 million euros.

Other employee expenses are composed of employer contributions to the company saving plan and contribution to employee's lunch allowance in restaurants which are not managed by the work council.



5.7 Operating depreciations, amortisations and reversals

<i>(in millions of euros)</i>	2016		2015	
	Additions	Reversals	Additions	Reversals
Intangible assets	(14)	-	(16)	-
Property, plant and equipment	(398)	-	(409)	-
Depreciation and Amortisation of fixed assets	(412)	-	(425)	-
Provisions for risks	(8)	11	(6)	9
Provisions for expenses	(33)	19	(28)	14
Provisions for liabilities and expenses	(41)	30	(34)	24
Trade receivables and related accounts	(2)	16	(5)	4
Depreciation of receivables	(2)	16	(5)	4
Transfer of operating charges	-	1	-	4
Total	(471)	46	(464)	32

Provisions for risks and charges amount to 41 million euros, including, in particular provisions for commitments linked to retirement benefit schemes of 21 million euros.

The amount of reversals of provisions for doubtful and contested receivables amount to 16 million euros. At the same time, doubtful receivables are entered as a loss amounting to 3 million euros.



5.8 Income tax expenses

Break down of tax

<i>(in millions of euros)</i>	Income before tax	Taxes	Net income excluding profit sharing
Current result	648	(223)	425
Extraordinary income	(12)	4	(8)
Tax consolidation revenue	-	5	5
Total (excluding profit sharing)	636	(214)	422

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 Dec 31, 2016	As at Dec 31, 2015	Change
Participation of employee's profit sharing	(23)	(21)	(2)
Provisions for exchange losses	(4)	(1)	(3)
Provisions for employee benefit obligations	(380)	(364)	(15)
Other non-deductible provisions	(10)	(15)	4
Cost of studies and supervision of works (FEST)	(46)	(56)	10
Acquisition cost of securities investments	(10)	(10)	-
Amortization of securities investments acquisition costs	9	7	2
Property option exercise (Ex. Leasing)	(6)	(13)	8
Deductible expenses for the period on subsequent periods	(469)	(474)	5
Translation adjustments - Asset	4	1	2
Regulated provisions	1,140	1,104	36
Deducted charges of subsequent periods for the period	1,143	1,105	38
Total temporary differences	674	632	42

Future income tax liability estimated at 203 million euros as at 31 December 2016 (218 million euros as at 31 December 2015). The valuation has taken into account a decrease in the tax rate from 34.43% to 28.92% starting from 2020 in compliance with the finance law approved at the end of December 2016. The decrease in tax rate generated a reduced future tax liability based on the tax planning schedule.



5.9 Financial income

Financial income in 2015 amounted to €46 million and includes:

<i>(in millions of euros)</i>	2016	2015
Income from investments	32	60
Swap interest income	14	20
Other financial income	24	30
Financial income	70	110
Interest on loans	(113)	(112)
Swap interest charges	(7)	(12)
Other financial expenses	(23)	(32)
Financial expenses	(143)	(156)
Financial income	(72)	(46)

Financial income amounts to 70 million euros and is mainly made up of:

- ◆ Dividends received (32 million euros) of which 15 million euros from Schipol Group
- ◆ Interest income from swaps amounting to 14 million euros.

Financial expenses for the 2016 financial year are primarily made up of interest charges on borrowings and swaps amounting to 120 million euros. The evolution of these types of expenses is consistent with the variation of borrowings and swaps on borrowings (see note 6.9 Financial Payables)

(1) Other financial income is mainly made up with :

- ✓ Reversal of depreciation of ADPIngénierie current account of €9 million
- ✓ Charge transfer related to the AGATHA operation , amounting to € 6 million
- ✓ Exchange gains amounting to € 4 million

(2) Other financial expenses contains :

- ✓ The sale of shares in ADP intended for the AGATHA operation, amounting to € 6 million
- ✓ Depreciation of Coeur d'Orly Investissement current account , amounting to € 5 million
- ✓ Additional depreciation of Tank OWA Beta Gmbh securities , amounting to € 4 million
- ✓ Exchange losses, amounting to € 3 million
- ✓ ADP Ingénierie Financial Risk allowance , amounting to € 1 million



Breakdown of Group¹ and non-Group net financial income

<i>(in millions of euros)</i>	Income from investments	Amortisation and reversal of provisions	Other financial income and expenses	Total
ADP Ingénierie	-	8	-	8
Schiphol Group	15	-	-	15
Société de Distribution Aéroportuaire	9	-	1	10
Aéroports de Paris Management	1	-	-	1
Alyzia holding	-	-	-	-
Hub One	1	-	-	1
Hub Safe	1	-	-	1
Roissy Continental Square	1	-	1	2
Others	4	(9)	1	(4)
Group Financial result	32	1	2	35
Net financial income	-	-	-	(108)
Other financial income and expenses	-	-	-	1
Financial result outside the Group	-	-	-	(107)
Financial income	-	-	-	(72)

¹ Here, the Group encompasses all subsidiaries and shareholdings held by Aéroports de Paris.



5.10 Extraordinary income

<i>(in millions of euros)</i>	2016	2015
Special amortisation write-off	35	2
Other extraordinary income from assets	55	18
Extraordinary income from assets	90	20
Reversal of provisions for liabilities and expenses	14	44
Other extraordinary income	16	8
Sundry exceptional income	30	52
Extraordinary income	120	72
Special amortisation expenses	(71)	(35)
Other extraordinary expenses on assets	(40)	(31)
Extraordinary expenses on assets	(111)	(66)
Provisions for extraordinary liabilities and expenses	(3)	(2)
Other extraordinary expenses	(19)	(43)
Sundry extraordinary expenses	(21)	(45)
These adjustments relate mainly to the depreciation of intangible assets (concession)	(132)	(111)
Extraordinary income	(12)	(39)

In 2016, the main variations in extraordinary income from fixed assets is related to the sale of the registered office which generated proceeds from disposal of 18 million euros. Other extraordinary income and expenses concern litigation with third parties.

Extraordinary expenses on assets are also made of special amortization expenses amounting to 71 million euros (Cf. note 4.13).

5.11 Profit sharing

<i>(in millions of euros)</i>	2016	2015
Employees' profit sharing	(22)	(20)



NOTE 6 Notes to the balance sheet

6.1 Fixed Assets

<i>(in millions of euros)</i>	As at Dec 31, 2015	Increase	Decrease	Transfers to and from other headings	As at Dec 31, 2016
Concessions and similar rights, patents, licences, brands, procedures, and similar rights and values	249	-	-	(6)	242
Intangible assets	249	-	-	(6)	242
Land	53	-	-	-	53
Land development	28	-	-	2	30
Buildings	10,642	-	(154)	416	10,904
Buildings on third party land	5	-	-	-	5
Industrial plant and equipment	154	-	(4)	13	163
Other tangible fixed assets	344	-	(3)	15	356
Property, plant and equipment	11,225	-	(162)	446	11,509
Fixed assets in progress	494	774	-	(476)	792
Advances on fixed assets suppliers	39	-	-	(2)	37
Total	12,008	774	(162)	(38)	12,580

Main investments during the year:

◆ The investments made during 2016 amount to 774 million euros and are mainly made up with the following projects :At Paris-Charles de Gaulle Airport

- work on the new head office of Aéroports de Paris SA
- Further work to set up a system of conveying, handling and increasing security of luggage at the departure hall located at the east of Terminal 2E;
- rehabilitation of aircraft way 2;
- transfer of ownership of pipelines formerly operated by the SMCA;
- studies and preparatory work for the project to renovate terminal 2B and its junction with the terminal 2D
- compliance work in order to improve the treatment of polluted water during the winter period;
- redesign of the business Hall K of Terminal 2E;
- power supply of Paris-Charles de Gaulle in 225 KV;

◆ at Paris-Orly Airport :

- junction between South and West terminals;
- Preliminary works for aircraft way 4 renovation ;
- completion of an extension building at Terminal South;

- first phase construction of the bridge between Cœur d'Orly and South terminal;
- preparatory work for the renovation of aircraft way 2 and its compliance with the standards of the European Aviation Safety Agency (EASA);
- works on the new Pavillon d'Honneur facilities;
- preliminary work related to the construction of the Grand Paris metro station.

◆ Common projects to both platforms :

- New developments and maintenance of operating information and application systems
- Purchasing of new generation equipment for checked luggage inspection

Commissioning

- ◆ Preliminary work to the construction of the junction between south and west terminals at Paris-Orly
- ◆ rehabilitation of aircraft way 2 at Paris Charles de Gaulle;
- ◆ New developments and maintenance of operational information and application systems
- ◆ Preliminary work for aircraft way 4 renovation ;
- ◆ preparatory work for the renovation of aircraft way 2 and its compliance with the standards of the European Aviation Safety Agency (EASA);



- ◆ Completion of construction of the extension building at Paris Orly terminal south
- ◆ transfer of ownership of pipelines formerly operated by Société de manutention des carburant aviation to Paris Charles de Gaulle
- ◆ At Paris Charles de Gaulle airport
 - 4 million euros of building demolition
 - 79 million euros of terminal renovation
 - 15 million euros of work to runways
- ◆ At Paris Orly
 - 7 million euros of terminal renovation
 - 5 million euros of work to runway
 - 3 million of building demolition

Main Disposals

As of December 31, 2016 fixed assets had been sold for 23 million euros. Main sales are the corporate office for 18 million euros and vehicles for 4 million euros

The total amount of fixed assets scrapped for the accounting period 2016 is estimated at 120 million euros. Main fixed assets written-off are listed below:

Depreciations and Amortisations

<i>(in millions of euros)</i>	As at Dec 31, 2015	Increase	Decrease	As at Dec 31, 2016
Concessions and similar rights, patents, licences, brands, procedures, and similar rights and	(169)	(14)	-	(183)
Intangible assets	(169)	(14)	-	(183)
Land development	(17)	(1)	-	(18)
Buildings	(5,093)	(388)	115	(5,366)
Buildings on third party land	(5)	-	-	(5)
Industrial plant and equipment	(102)	(10)	4	(107)
Other tangible fixed assets	(210)	(16)	3	(223)
Property, plant and equipment	(5,427)	(415)	122	(5,722)
Total	(5,596)	(429)	122	(5,904)

Revaluation of fixed assets

Certain fixed assets were revalued as part of the legal revaluations in 1959 and 1976.

<i>(in millions of euros)</i>	Revalued values			Depreciation of the revaluation difference		Net revaluation difference (6) = (2) - (5)
	Gross value (1)	Increase in gross value (2)	Total (3) = (1)+(2)	Fiscal year (4)	Cumulative (5)	
Land	19	23	41			23
Non-depreciable fixed assets	19	23	41	-	-	23
Land development	1	-	1			-
Buildings	342	307	650	1	301	6
Depreciable fixed assets	343	308	651	1	302	6
Total	362	330	692	1	302	28



6.2 Financial assets

Book Value

<i>(in millions of euros)</i>	As at Dec 31, 2015	Increase	Decrease	Transfers to and from other headings	Fusion	As at Dec 31, 2016
Share investments	1,326	9	(1)	38	(56)	1,316
Receivables from to share investments	54	6	(5)	-	-	55
Loans	10	-	(1)	-	-	9
Other financial assets	24	12	(11)	-	23	48
Total	1,414	27	(18)	38	(33)	1,428

According to new regulation ANC 2015-06, technical losses on merger for 38 million euros, recorded as an intangible asset in 2015, following the merger of Tank international Lux in Aéroports de Paris SA, has been allocated in financial asset in 2016.

Following the merger of Tank Holding ÖWA in Aéroports de Paris SA as of December 2016 -23, the technical loss on merger from Tank international Lux (38 million euros) and Tank Holding ÖWA's share investment (18 million euros) are eliminated for a total amount of 56 million euros. The technical loss from this merger amounts to 23 million euros, and has been allocated on the line "other financial assets" according to new regulation AN 2015-06 (see note 4.2). As a consequence of the merger, Aéroports de Paris SA now holds directly Tank OWA Alpha GMBH and Tank OWA Beta GMBH shares.

One can also note a capital increase in ADP Investissement subsidiary for 9 million euros.

The change in 'Receivables to share investments' is mainly due to the granting of a 6 million euros loan to Roissy Continental Square and the loans repayments of 5 million euros from Roissy continental square and Ville aéroportuaire Immobilier subsidiaries.

Depreciation

Impairments of securities amounted to €57 million of which:

(in millions of euros)

ADP Ingénierie	(25)
TANK ÖWC beta GmbH	(26)
SAS Coeur d'Orly Investissement	(11)
TANK ÖWA alpha GmbH	(3)

Additional depreciation of Tank OWA Beta GmbH securities for € 4 million booked as at December 31st 2016



Table of subsidiaries and shareholdings

(in millions of euros)

	Share capital	Other equity	Share of capital held by ADP in %	Book value of shares held		Unrefunded loans and advances granted by ADP	Guarantees given by ADP	Revenue excluding VAT	Profit/loss for the period	Dividends received by ADP
				Gross	Net					
Subsidiaries										
ADP Ingénierie - France	7	(17)	100%	25	-	-	-	73	8	-
SAS Aéroports de Paris Investissement - France	19	-	100%	19	19	-	-	-	-	-
ADP Management - France	108	164	100%	108	108	-	-	19	47	1
Hub Safe - France	3	7	100%	10	10	-	-	72	3	1
Hub One - France	41	45	100%	41	41	-	-	84	5	1
Roissy Continental Square - France	42	1	100%	48	48	44	-	14	1	1
SAS Coeur d'Orly Investissement - France	11	(20)	100%	11	-	-	-	-	(5)	-
SAS Ville Aéroportuaire Immobilier - France	7	2	100%	10	10	8	-	-	-	-
Média ADP - France	2	10	50%	1	1	-	-	54	4	2
Associates and joint ventures										
ADPLS Présidence -	-	-	50%	-	-	-	-	-	-	-
Relay@adp - France	3	4	49%	1	1	-	-	73	3	2
CDG Express Etudes - France	-	-	33%	-	-	-	-	-	-	-
Schiphol Group - Pays-Bas	85	3,728	8%	370	370	-	-	-	-	15
SCI Roissy Sogaris - France	6	5	40%	2	2	-	-	-	-	-
Société de Distribution Aéroportuaire - France	1	8	50%	1	1	4	-	689	7	9
EPIGO - France	1	4	50%	6	6	-	-	47	(7)	-
PACIFA - France	-	-	12%	1	1	-	-	-	-	-
EPIGO Présidence -	-	-	50%	-	-	-	-	-	-	-
Other investments										
Airportsmart - Angleterre	1	-	46%	-	-	-	-	NC	NC	-
CCS France - France	-	-	20%	-	-	-	-	NC	NC	-
Centre de Formation des Pompiers (C2FPA) -	1	3	21%	-	-	-	2	NC	NC	-
Civi.Pol Conseil - France	2	-	1.03%	-	-	-	-	NC	NC	-
IDF Capital - France	20	-	1.35%	-	-	-	-	NC	NC	-
Total				1,316	1,250	55	2			32



6.3 Operating receivables

(in millions of euros)

	As at Dec 31, 2016	As at Dec 31, 2015
Trade receivables and related accounts	460	455
Taxes other than income taxes	71	64
Current accounts	66	57
Other debtors	8	10
Other receivables	145	131
Total	605	586

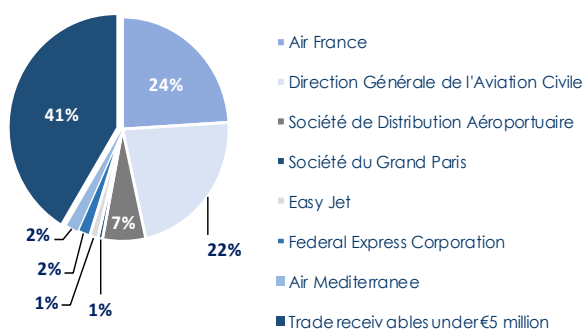
Operating receivables amount to 605 million euros as at 31 December 2016 and increased by 3% (19 million euros) compared to previous year.

Main trade receivables at year-end

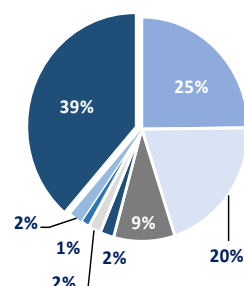
(in millions of euros)

	As at Dec 31, 2016	As at Dec 31, 2015
Air France	114	109
Direction Générale de l'Aviation Civile	97	109
Société de Distribution Aéroportuaire	43	28
Société du Grand Paris	10	3
Easy Jet	9	6
Federal Express Corporation	6	9
Air Mediterranee	8	8
Trade receivables under €5 million	174	183
Total	460	455

Breakdown of operating receivables 2015



Breakdown of operating receivables 2016



Current accounts

Current accounts, in other receivables, are as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2016	As at Dec 31, 2015
SAS Cœur d'Orly Investissement	23	23
ADP Ingénierie	20	12
Fully Consolidated Subsidiaries	43	35
Société de Distribution Aéroportuaire	17	19
Other	6	3
Associates and joint ventures	23	22
Total	66	57

Depreciation of current assets

The depreciation of current assets amounted to €55 million :

<i>(in millions of euros)</i>	As at Dec 31, 2016	As at Dec 31, 2015
Trade receivables and related accounts	(19)	(33)
Current accounts	(18)	(22)
Total	(37)	(55)

Maturity structure of receivables

The table below presents, for each type of receivable, the remaining duration for that the receivable to become payable:

<i>(in millions of euros)</i>	Gross Amount	Payability		
		<1 year	1 to 5 years	>5 years
Receivables from to share investments	55	11	21	23
Loans	9	2	4	3
Other capitalised receivables	9	-	9	-
Receivables from fixed assets	73	13	34	26
Trade receivables and related accounts	460	460	-	-
Other receivables	145	145	-	-
Receivables from current assets	605	605	-	-
Prepaid expenses	15	6	4	5
Total	693	624	37	31

87% of the receivables are made up of current asset debts.

Most of the receivables are payable immediately or in less than one year.



6.4 Marketable securities and cash

<i>(in millions of euros)</i>	As at Dec 31, 2016	As at Dec 31, 2015
Marketable securities	1,566	1,601
Of which Treasury shares	12	24
Cash	63	116
Total	1,629	1,717

The short-term investments of Aéroports de Paris consist in investment funds (SICAV).

The treasury shares are to be delivered as part of the bonus share plan (AGATHA) launched in 2016.

6.5 Prepaid expenses and deferred income

Prepaid expenses

The prepaid expenses amounted to €15 million mainly consist of items relating to insurance contracts underwritten by Aéroports de Paris. They represent 67% of prepaid expenses.

Deferred income

Deferred income totalized 158 million euros at year-end 31/12/2015 mostly made of rents paid in advance.

6.6 Bond redemption premiums

<i>(in millions of euros)</i>	Assets	Liabilities
Bonds issued	15	-

Details of loan premiums are presented in note 6.9.



6.7 Shareholders' equity

(in millions of euros)	As at Dec 31, 2015	Increase	Decrease	Allocation of income	As at Dec 31, 2016
Share capital	297	-	-	-	297
Premiums	543	-	-	-	543
Revaluation difference	24	-	-	-	24
Legal reserve	30	-	-	-	30
Other reserves	839	-	-	-	839
Retained earnings	918	-	-	137	1,055
Profit/loss for the period	396	399	-	(396)	399
Interim dividend	(69)	69	(70)	-	(70)
Investment grants	42	5	(3)	-	43
Regulated provisions	1,104	71	(35)	-	1,140
Total	4,121	544	(108)	(259)	4,298

The company's share capital as at 31 December 2016 totalized €296,881,806, broken down into 98,960,602 shares at a nominal value of 3 euros.

Shareholders' equity of Aéroports de Paris amounted to €4,438 million.

In compliance with the Annual General Meeting decision of 3 May, 2016, a dividend of €2.61 per share, representing a total of €258,287,171 was paid out on 2 June 2016.

6.8 Provisions

(in millions of euros)	As at Dec 31, 2015	Additions	Reversals	As at Dec 31, 2016
Other provisions for risks	24	1	(6)	19
Provisions for litigation	19	8	(5)	22
Provisions for risks	43	9	(11)	41
Provisions for taxes	7	3	(7)	3
Provisions for restructuring	10	-	(7)	3
Provisions for employee benefit obligations	366	31	(15)	382
Other provisions for charges	3	2	(3)	2
Provisions for exchange losses	1	2	-	3
Provisions for expenses	387	38	(32)	393
Total	430	47	(43)	434

PROVISIONS FOR EMPLOYEE BENEFIT OBLIGATIONS

Aéroports de Paris abides by the following employee benefit obligations:

Retirement benefit scheme (IFC)

The Group grants a retirement benefit to Aéroports de Paris employees taking their retirement. The sum paid is based on a number of months of salary depending on length of service at Aéroports de Paris at the date of retirement. Employer contributions are payable on this income.

The main risks linked to this system are risks of increase in employer contribution rates applicable to Aéroports de Paris, renegotiation of the rise in fee structures as defined by the statutes, and changes in legal minimum benefit amounts.

Mutual health insurance for the retired

Aéroports de Paris helps finance the subscription to two mutual health insurance contracts covering two closed populations of retired former employees.

The main risks identified are risks:

- ♦ of an increase in employer contribution rates applicable to Aéroports de Paris' financial contribution;
- ♦ of a steady increase in medical costs covered by mutual health insurance, which has a knock-on effect on Aéroports de Paris' financial contribution.



Pension schemes with defined services

Aéroports de Paris grants additional retirement pensions and has insurance contracts to deal with the management of pension payments.

In this context, Aéroports de Paris has opted for the "Fillon tax" on premiums paid on the insurance provider's collective funds (24%) for the defined benefits scheme, and the pension tax paid by the insurance provider (32% for liquidations that took place from 1 January 2013) for other schemes. The main risk involved is a legislative review increasing the Fillon tax rate, which would automatically increase Aéroports de Paris' commitment.

There are three additional retirement benefit schemes:

- ◆ A defined retirement benefits scheme - this life annuity retirement pension scheme is an additional type and concerns all employees;
- ◆ An additional pension scheme - this retirement pension scheme
 - is an "additional" type for firemen. The temporary pension is paid at the same time as the "PARDA" pension;
 - A life annuity pension of the "differential" category for the majority of the PARDA scheme beneficiaries;
- ◆ An additional "management" retirement scheme - this life annuity retirement pension scheme is of the "differential" type and concerns certain qualifying management staff. This scheme has been renounced and the renunciation will take effect in the second half of 2015.

Long-service awards scheme

Aéroports de Paris employees receive an "aeronautical services medal".

Early retirement scheme

The "PARDA" (protocol of agreement on the early retirement scheme) early retirement scheme involves paying a replacement income over a temporary period prior to the retirement of firemen, to which employer contribution rates and 50% of the "Fillon tax" are added.

Details of the actuarial calculation

The total employee benefit obligations in previously described schemes is evaluated in compliance with Recommendation no. 2003-R 01 of 1 April 2003 of the French National Accounting Board relating to accounting and evaluation rules on retirement obligations and similar benefits.

The main actuarial assumptions used to calculate employee benefit obligations are:

- ◆ a discount rate of 1,75%;
- ◆ an annual increase in salaries of between 1.75% and 3,75% per year, including inflation;
- ◆ a resignation rate demonstrating the probability that not all employees will reach the end of their careers within the company;
- ◆ mortality rate tables, TH – TF 2012-2014 statistical tables on the phase of activity and TGH-TGF 2000-2005 generational tables on the pension phase;
- ◆ a voluntary retirement age of 62 for supervisory and senior supervisory employees, and 64 for the management category.

The company uses the corridor method for the accounting of actuarial differences (10%).



The table below recapitulates all employee benefit obligations by illustrating:

- ◆ the change in actuarial value;
- ◆ liabilities entered on the balance sheet;
- ◆ expense analysis for the financial year.

<i>(in millions of euros)</i>	Retirement Plan	PARDA	Additional retirement benefits	Health cover	Aviation industry long service medals	Total
Actuarial value of obligation at opening	281	10	67	74	1	434
Interest costs	6	-	2	1	-	9
Service costs for the period	15	2	3	-	-	20
Services provided	(8)	(1)	(4)	(3)	-	(16)
Actuarial gain or loss	16	(1)	2	(5)	-	12
Actuarial value of obligation at closing	310	11	70	67	1	459
Deferred actuarial difference on balance sheet	(49)	7	(47)	12	-	(77)
Market value of assets at closing	-	-	(2)	-	-	(2)
Past service costs	-	-	-	-	-	-
Liabilities recognized in the balance sheet	261	18	22	79	1	381
Discount expenses	6	-	2	1	-	9
Amortisation of actuarial gains/losses	-	(1)	3	-	-	1
Service costs for the period	15	2	3	-	-	20
Past service costs	-	-	1	(1)	-	-
Reduction/curtailment	-	-	-	-	-	-
Expense for the period	21	1	9	1	-	30



6.9 Financial debts

Changes in financial debts

<i>(in millions of euros)</i>	As at Dec 31, 2015	Increases	Decreases	As at Dec 31, 2016
Bonds	3,835	-	-	3,835
Loans from credit institutions	517	-	-	517
Other loans	4	3	(1)	6
Deposits, estimated fees and deposits received	14	3	(3)	15
Accrued interest on loans	74	74	(71)	74
Overdrafts	1	-	(1)	-
Total	4,445	80	(78)	4,447

Accrued interest on loans stood at €74 million, including:

<i>(in millions of euros)</i>	
Accrued interest on bonds	76
Accrued interest on loans swapped	(5)

Details of bonds and bank loans

<i>(in millions of euros)</i>	Initial capital borrowed	Nominal rate	Initial capital remaining due	Amortisation of capital	Underwriting of loans	Final capital remaining due	Issue premium
ADP CHF 250 M 2009-2015	135	2.5%	135	-	-	135	-
ADP CHF 200 M 2010-2017	500	3.886%	500	-	-	500	-
ADP EUR 500 M 2010-2020	400	4.0%	400	-	-	400	-
ADP EUR 400 M 2011-2021	400	3.875%	400	-	-	400	1
ADP EUR 400 M 2011-2022	300	2.375%	300	-	-	300	1
ADP EUR 300 M 2012-2019	500	3.125%	500	-	-	500	3
ADP EUR 500 M 2012-2024	600	2.75%	600	-	-	600	6
ADP EUR 600 M 2013-2028	500	1.50%	500	-	-	500	5
ADP EUR 500 M 2014 -2028	500	1.50%	500	-	-	500	1
Bonds	3,835		3,835	-	-	3,835	16
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	-
Loans from credit institutions	517		517	-	-	517	-
Other loans	6		5	(1)	3	7	-
Total	4,358		4,356	(1)	3	4,359	16



Swaps on bonds

(in millions of euros)

Initial date of swap	Duration	Amount	Fair value	Repayments made		Repayments received	
				Rate	These adjustments relate mainly to the depreciation of intangible	Rate	Income
08/07/11	10 years	100	17	Eur 3M + margin	(1)	Fixed	4
08/07/11	10 years	100	17	Eur 3M + margin	-	Fixed	4
08/07/12	9 years	100	(10)	Fixed	(3)	Eur 3M + margin	1
08/07/12	9 years	100	(10)	Fixed	(3)	Eur 3M + margin	-
Total swaps relating to bonds		400			(6)		9
27/01/10	7 years	67	28	Eur 3M + margin	(1)	Fixed	2
27/01/10	7 years	67	28	Eur 3M + margin	-	Fixed	2
Total swaps on foreign currency bond loans		135			(1)		4

6.10 Trade payables and tax and employee-related liabilities

(in millions of euros)

	As at Dec 31, 2016	As at Dec 31, 2015
Trade payables	182	202
Staff costs and related accounts	224	238
Taxes other than income taxes	37	48
Tax and employee-related liabilities	261	286
Total	443	488



6.11 Other liabilities

(in millions of euros)

	As at Dec 31, 2016	As at Dec 31, 2015
Debts on fixed assets and related accounts	258	229
Current accounts	224	169
Customer accounts payable	14	10
Various accounts payables	27	43
Other debts	265	222
Total	523	451

Current accounts

Current accounts, presented in other liabilities, break down follows:

(in millions of euros)

	As at Dec 31, 2016	As at Dec 31, 2015
Aéroports de Paris Management	169	136
Hub One	25	19
Hub Safe	15	12
ADP Ingénierie	11	2
Fully Consolidated Subsidiaries	220	169

6.12 Schedule of debt payments

The table below presents, for each type of payable, the remaining duration for debt to become payable:

(in millions of euros)

	Gross Amount	Payment		
		<1 year	1 to 5 years	>5 years
Bonds	3,835	135	800	2,900
Loans from credit institutions	517	-	517	-
Loans and other financial liabilities	95	75	4	16
Financial debt	4,447	210	1,321	2,916
Trade payables	182	182	-	-
Tax and employee-related liabilities	261	261	-	-
Operating liabilities	443	443	-	-
Debts on fixed assets and related accounts	258	258	-	-
Other debts	265	265	-	-
Other payables	523	523	-	-
Deferred income	158	94	17	47
Total	5,570	1,269	1,338	2,963



6.13 Accrued expenses and revenue to be received by balance sheet item

Assets <i>(in millions of euros)</i>	As at Dec 31, 2016	Liabilities <i>(in millions of euros)</i>	As at Dec 31, 2016
		Bonds	72
Other financial assets	8	Loans from credit institutions	1
Fixed assets	8	Financial debt	73
Trade receivables and related accounts	128	Trade payables	100
Other receivables	5	Tax and employee-related liabilities	209
Current assets	133	Operating liabilities	309
		Debts on fixed assets and related accounts	147
		Other payables	147
Total	141	Total	529



NOTE 7 Notes to the cash flow statement

7.1 Change in working capital

<i>(in millions of euros)</i>	2016	2015
Change in inventories	(5)	-
Accounts receivable	12	(27)
Customers - doubtful accounts	14	(13)
Customers - invoice to be established	(31)	57
Tax receivable other than income taxes	(17)	(11)
Depreciation of receivable accounts	(14)	2
Other	(1)	(20)
Total trade and other receivables	(38)	(12)
Trade payables	(31)	35
Staff	(12)	38
Social security expenses	(4)	2
Tax liabilities excluding income taxes	1	(13)
Accrued liabilities	(19)	42
Deferred income	13	1
Employees' profit sharing	(2)	(1)
Other	17	(68)
Total trade and other payables	(36)	36
Change in working capital	(79)	24

7.2 Cash & cash equivalents at the end of period

<i>(in millions of euros)</i>	2016	2015
Cash and cash equivalents	1,616	1,693
Bank overdrafts (1)	-	(1)
Net cash (as shown in the Cash Flow Statement)	1,616	1,692

(1) 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 Dec 31, 2016	As at Dec 31, 2015
Guarantees	2	2
First demand guarantee	47	-
Acquisition of capital assets	405	501
Other	154	-
Commitments granted	608	503
Guarantees	60	54
First demand guarantee	233	237
Other	-	-
Commitments received	294	291

Guarantees correspond mainly to securities accorded to loans to staff members, as well as guarantees accorded by Aéroports de Paris on behalf of ADP Ingénierie and Aéroports de Paris Management for the benefit of different customers of these subsidiaries.

Guarantees on first demand have been given only by ADP Ingénierie and Aéroports de Paris Management as part of the execution of their international contracts.

Contingent liabilities

Aéroports de Paris SA is involved in a number of legal and arbitration proceedings in the ordinary course of its business. Aéroports de Paris SA is also subject to certain claims and legal actions that go beyond the ordinary course of its business.

The amount of provisions accounted for is based on Aéroports de Paris SA's assessment of claims and the level of risk on a case by case basis in which the progress of the case and defense arguments are weighed up. Other events during proceedings may at any time lead to a risk reassessment

The principal litigation is presented below and constitutes a contingent liability:

On July 13, 2013, the Company JSC Investissements initiated an action for compensation before the Paris Commercial Court following the decision of Aéroports de Paris SA not to grant an authorization of temporary occupation of public property concerning the construction and operation of a centre for shopping and services on Paris-Charles de Gaulle Airport site. To date, discussion focused primarily on the determination of the competent jurisdiction. By decision of 4 July 2016, the Conflict Court appointed the administrative judge as sole competent to hear the dispute. By decision of 19 January 2017, the Administrative Court of Paris dismisses JSC Investissements of all its claims. The other party may lodge an appeal within two months of notification of the decision. At this stage, the Group does not expect a negative outcome of this litigation.



NOTE 9 Remuneration and headcount

9.1 Remuneration allocated to members of administrative and management bodies

(in thousands of euros)

	As at Dec 31, 2016	As at Dec 31, 2015
Remuneration	4,068	3,731
Employer's social security contributions	1,582	1,319
Attendance fees	100	104
Total	5,750	5,154

9.2 Employment details

The table below gives a breakdown of the workforce (present, on unpaid leave and on secondment).

Categories	As at Dec 31, 2016	As at Dec 31, 2015	Change	Percentage
Executives (excluding CEO and COO)	1,325	1,313	12	1%
Supervisors and technicians	4,535	4,578	(43)	(1)%
Enforcement agents	618	663	(45)	(7)%
Total	6,478	6,553	(76)	(1)%



NOTE 10 Transactions with related companies and parties

10.1 Transactions with affiliated parties

Transactions with affiliated parties mostly include:

- ◆ Agreements on remunerations and similar benefits concluded with members of administrative or management bodies;
- ◆ Conventions concluded with the French State and state-owned holding companies, associated companies and joint venture companies over which Aéroports de Paris exercises significant influence and joint control respectively.

Remuneration of principal senior directors

The Principal senior directors at Aéroports de Paris include the Chairman & Chief Executive Officer, the members of the executive committee and the directors appointed by the general meeting of shareholders.

This compensation amounts to 5.8 million euros in 2016 in comparison to 5.2 million euros in 2015. The variance is explained by the arrival of two additional members to the executive committee and one less corporate officer. This compensation includes short-term employee benefits (fixed and variable salary and benefits in kind), as well as employer contributions and attendance fees (cf note 9)

The principal senior directors did not receive any payments in shares in 2016 and 2015.

Relations with VINCI

Significant transactions between Aéroports de Paris SA and Vinci are mainly related to the construction of a connecting building between the western and southern terminals of Paris-Orly Airport and the partnership with Vinci Airports in the context of the Santiago de Chile International Airport concession.

Relations with the French State and State shareholdings

RELATIONS WITH THE STATE

The public authorities exercise control over Aéroports de Paris as part of its status as a public enterprise and its missions, particularly its public service missions.

In this context, agreements are regularly signed with the French State.

The most significant agreements are presented below:

- ◆ The Economic Regulation Agreement for the 2016-2020 period (the main provisions of the 2016-2020 ERA are laid out in Note 3), signed on 31 August 2015.

- ◆ An agreement to the provision of property, supplies (electricity, heating, water), services (telecommunications, material, administrative or intellectual assistance) and training at the "DSNA" French air navigation service. This agreement was concluded on 27 July 2007 for a term of 15 years.
- ◆ Relations with the DGAC, the French Civil Aviation Authority - safety assignments, air transport security, and aircraft fire and rescue make up the public service missions under Aéroports de Paris' responsibility. Costs incurred as part of these missions are paid by the French Civil Aviation Authority (DGAC) who finances it through airport taxes collected from airlines. Turnover in 2014 amounts to 486 million euros compared with 485 million euros on 31/12/2014. Outstanding customer payments amounted to 109 million euros on the same date and have not changed since last year.

RELATIONS WITH THE AIR FRANCE-KLM GROUP

Transactions with the Air France-KLM Group mostly involve:

- ◆ invoicing aeronautical and ancillary fees fixed under the Economic Regulation Agreement in application of the Civil Aviation Code;
- ◆ and rents invoiced for leases on land and buildings surrounding airports.

Relations with associated or jointly controlled companies

CDG EXPRESS

Aéroports de Paris SA is associated with the Réseau Ferré de France (French Rail Network) and the French State through a company called CDG Express Etudes, whose purpose it is to carry out directly or indirectly all the necessary studies to achieve the CDG Express project. This project consists of constructing a direct express rail link between Paris and Paris-Charles de Gaulle Airport.

Relations with joint control companies or those with significant influence

Aéroports de Paris conducts regular transactions with companies over which it has joint control or a significant influence in a direct or indirect manner. These transactions occur most often with Société de Distribution Aéroportuaire and Tav Construction and signed under normal market conditions.



NOTE 11 Subsequent events

Aéroports de Paris SA has taken note of the decision of the Autorité de Supervision Indépendante (ASI, Independent Supervisory Authority) published on 19 January 2017 not to approve the proposed aviation fee tariffs applicable from 1 April 2017. The refusal of approval was primarily motivated by a technical consideration in the fee for the provision of the computerised check-in and boarding system (CREWS).

The regulatory provisions lay down that Aéroports de Paris SA should present a new proposal for 2017 tariffs within one month of the decision of the ASI, and that the latter is invited to issue its decision within 15 days of the new notification of tariffs.

Aéroports de Paris SA specifies that it does not anticipate any modification in the financial equilibrium of the company due to the application of the 2017 tariff grid that Aéroports de Paris SA is willing to propose to the ASI.

