

# Financial information on the assets, financial position and consolidated financial statements



## Table of contents

Key figures .....	3
Glossary .....	4
Consolidated Income Statement .....	5
Consolidated Statement of Comprehensive Income .....	6
Consolidated Statement of Financial Position .....	7
Consolidated Statement of Cash flows .....	8
Consolidated Statement of Changes in Equity .....	9

## Notes to the consolidated financial statements

<b>NOTE 1</b>	Basis of preparation of consolidated financial statements.....	10	<b>NOTE 10</b>	Other operating incomes and expenses .....	59
<b>NOTE 2</b>	Significant events .....	12	<b>NOTE 11</b>	Share of profit or loss in associates and joint ventures from non-operating activities .....	59
<b>NOTE 3</b>	Scope of consolidation .....	12	<b>NOTE 12</b>	Income taxes .....	59
<b>NOTE 4</b>	Information concerning the Group's operating activities.....	14	<b>NOTE 13</b>	Cash and cash equivalents and Cash flows .....	62
<b>NOTE 5</b>	Cost of employee benefits .....	30	<b>NOTE 14</b>	Related parties disclosure.....	65
<b>NOTE 6</b>	Intangible assets, tangible assets and investment property.....	35	<b>NOTE 15</b>	Off-balance sheet commitments.....	67
<b>NOTE 7</b>	Equity and Earnings per share.....	40	<b>NOTE 16</b>	Litigations, legal and arbitration proceedings ....	67
<b>NOTE 8</b>	Other provisions and other non-current liabilities. ....	42	<b>NOTE 17</b>	Subsequent events .....	68
<b>NOTE 9</b>	Financing.....	44	<b>NOTE 18</b>	Auditor's fees .....	69
			<b>NOTE 19</b>	Companies within the scope of consolidation ...	69

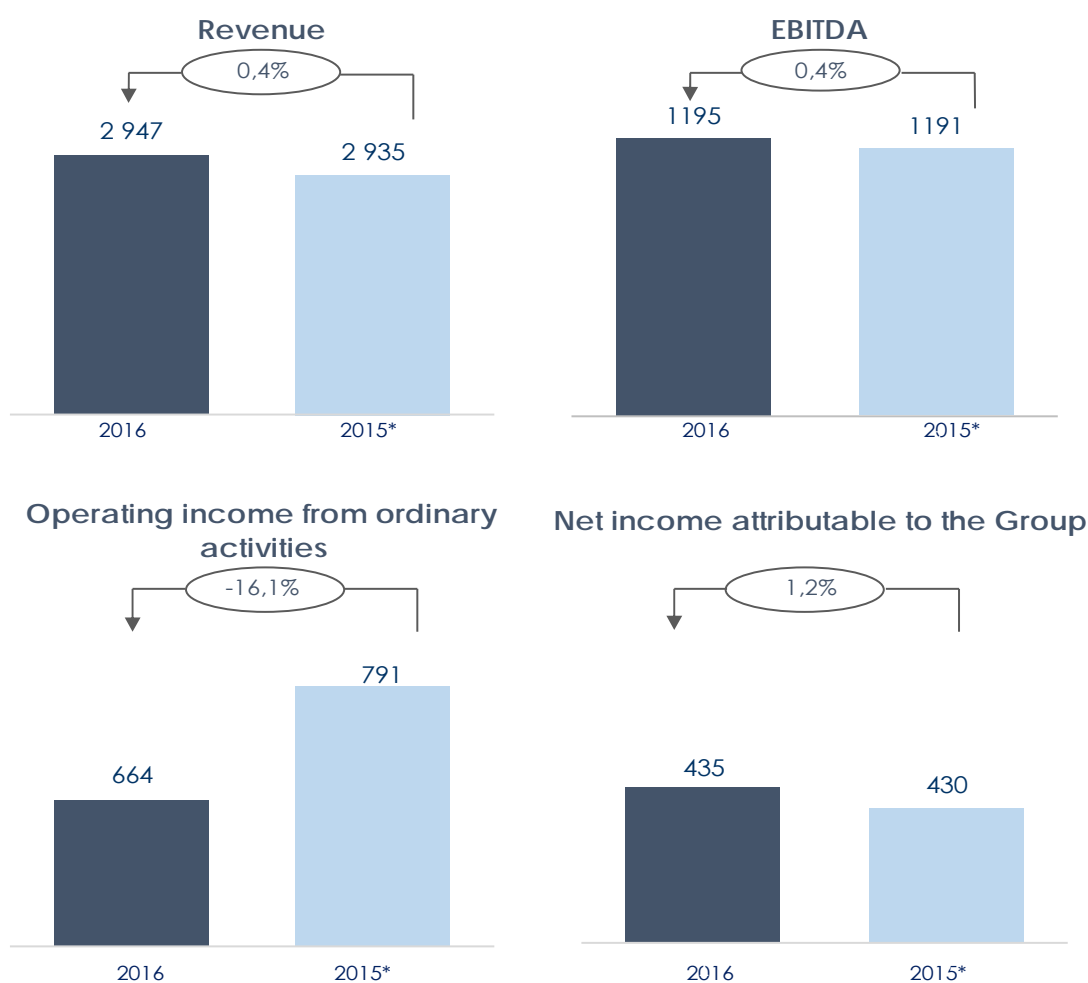


## Groupe ADP Consolidated Financial Statements and notes as of December 31, 2016

### Key figures

<i>(in millions of euros)</i>	Notes	2016	2015*
Revenue	4	2,947	2,935
EBITDA		1,195	1,191
EBITDA/Revenue		+40,6%	+40,6%
Operating income from ordinary activities		664	791
Operating income		696	791
Net income attributable to the Group		435	430
Dividend per share (in €)		2.64	2.61
Operating cash flow before change in working capital and tax		1,178	1,158
Purchase of property, plant, equipment and intangible assets	13	(792)	(527)
Equity	7	4,291	4,132
Net financial debt	9	2,709	2,627
Gearing		63%	64%

\* Restated figures as described in Note 4.1



## Glossary

- ◆ **Revenue** refers to revenues from the ordinary activities of selling goods and services and leasing activities as a lessor.
- ◆ **EBITDA** is an accounting measure of the operating performance of fully consolidated Group subsidiaries. It is comprised of revenue and other ordinary income less purchases and current operating expenses excluding depreciation and impairment of property, plant and equipment and intangible assets.
- ◆ **Operating income from ordinary activities** is intended to present the Group's recurring operational performance excluding the impact of non-current operations and events during the period. It is composed of EBITDA, depreciation and impairment of tangible and intangible assets, the share of profit or loss **in associates and joint ventures from operating activities**.
- ◆ **Operating income** is the addition of Operating income from ordinary activities and other operating income and expenses, as they are non-recurring and significant in terms of consolidated performance (cf. note 10).
- ◆ **The share of profit or loss in associates and joint ventures from operating activities** (cf. note 4) concerns the share of profit or loss from investments in associates and joint ventures over which the Group exercises significant influence or joint control with the following characteristics:
  - Industrial and / or commercial cooperation projects have been set up;
  - Groupe ADP participates in the operational decision-making within these companies;
  - The activity and performance of these companies are regularly monitored and reported throughout the year.
- ◆ **The share of profit or loss in associates and joint ventures from non-operating activities** concerns investments in which the Group exercises significant influence without being monitored in an operational way. The Group's share of profit or loss of these entities is disclosed on a separate line in the income statement after the operating income (cf. note 11).
- ◆ **Operating cash flow before change in working capital and tax** refers to all the internal resources generated by the company in its operating activities that enable its funding. It includes operating income and expenses that have an effect on cash. This can be found in the consolidated statement of cash flows.
- ◆ **Gross financial debt** as defined by Groupe ADP includes long-term and short-term borrowings and debts (including accrued interest and hedge of the fair value of assets/liabilities related to these debts), debts related to the minority put option (presented in other non-current liabilities) less receivables and current accounts from associates.
- ◆ **Net financial debt** as defined by Groupe ADP refers to gross financial debt less Cash and cash equivalents.
- ◆ **Gearing** is the ratio corresponding to: Net financial debt / Shareholders' Equity (including non-controlling interests).
- ◆ **Minority interests** are non-controlling interests. As part of shareholders' equity in the consolidated result, they are presented separately from shareholders' equity – Group share (shareholders' equity of the parent company).
- ◆ **Non-current assets** defined as opposed to **current assets** (these assets intended to be consumed, sold or realized during the financial year, being held to be sold within twelve months or considered as cash) comprise all assets held over a long period, including tangible, intangible and financial assets and all other non-current assets
- ◆ **Non-current liabilities** defined as opposed to **current liabilities** include any liability that will not be settled within a normal operating cycle and within twelve months.



## Consolidated Income Statement

<i>(in millions of euros)</i>	Notes	2016	2015*
<b>Revenue</b>	4	<b>2,947</b>	<b>2,935</b>
Other operating income	4	29	18
Consumables	4	(113)	(110)
Employee benefit costs	5	(698)	(712)
Other operating expenses	4	(996)	(926)
Net allowances to provisions and Impairment of receivables	4 & 8	26	(14)
<b>EBITDA</b>		<b>1,195</b>	<b>1,191</b>
<i>EBITDA/Revenue</i>		<i>+40,6%</i>	<i>+40,6%</i>
Amortisation & Depreciation	6	(479)	(458)
Share of profit or loss in associates and joint ventures from operating activities	4	(52)	58
<b>Operating income from ordinary activities</b>		<b>664</b>	<b>791</b>
Other operating income and expenses	10	32	-
<b>Operating income</b>		<b>696</b>	<b>791</b>
Financial income		26	47
Financial expenses		(141)	(153)
<b>Financial income</b>	<b>9</b>	<b>(115)</b>	<b>(106)</b>
Share of profit or loss in associates and joint ventures from non-operating activities	11	59	6
<b>Income before tax</b>		<b>640</b>	<b>691</b>
Income tax expense	12	(202)	(258)
<b>Net results from continuing activities</b>		<b>438</b>	<b>433</b>
<b>Net income</b>		<b>438</b>	<b>433</b>
<b>Net income attributable to the Group</b>		<b>435</b>	<b>430</b>
Net income attributable to non-controlling interests		3	3
Basic earnings per share (in €)	7	4.40	4.35
Diluted earnings per share (in €)	7	4.40	4.35
<b>Earnings per share from continuing activities attributable to the Group</b>			
Basic earnings per share (in €)	7	4.40	4.35
Diluted earnings per share (in €)	7	4.40	4.35

\* Restated figures as described in Note 4.1



## Consolidated Statement of Comprehensive Income

<i>(in millions of euros)</i>	2016	2015*
<b>Net income</b>	<b>438</b>	<b>433</b>
Translation adjustments	1	2
Share of other comprehensive income of associates, net after income tax	5	12
<b>Recyclable elements to the consolidated income statement</b>	<b>6</b>	<b>14</b>
Actuarial gains/losses in benefit obligations of fully consolidated entities	(8)	16
Actuarial gains/losses in benefit obligations of associates	(2)	-
<b>Non-recyclable elements to the consolidated income statement</b>	<b>(10)</b>	<b>16</b>
<b>Total comprehensive income for the period</b>	<b>434</b>	<b>463</b>
attributable to non-controlling interests	3	3
attributable to the Group	431	460

\* Restated figures as described in Note 4.1





## Consolidated Statement of Financial Position

### Assets

<i>(in millions of euros)</i>	Notes	As at Dec 31, 2016	As at Dec 31, 2015*
Intangible assets	6	110	104
Property, plant and equipment	6	6,271	5,960
Investment property	6	499	503
Investments in associates	4	1,101	1,229
Other non-current financial assets	9	125	181
<b>Non-current assets</b>		<b>8,106</b>	<b>7,977</b>
Inventories		26	18
Trade receivables	4	548	516
Other receivables and prepaid expenses	4	116	112
Other current financial assets	9	129	67
Cash and cash equivalents	13	1,657	1,734
<b>Current assets</b>		<b>2,476</b>	<b>2,447</b>
Assets held for sales	2 & 4	10	24
<b>Total assets</b>		<b>10,592</b>	<b>10,448</b>

\* Restated figures as described in Note 4.1

### Shareholders' equity and liabilities

<i>(in millions of euros)</i>	Notes	As at Dec 31, 2016	As at Dec 31, 2015*
Share capital		297	297
Share premium		543	543
Treasury shares		(12)	(24)
Other equity items		(85)	(81)
<b>Shareholders' equity - Group share</b>		<b>4,284</b>	<b>4,125</b>
Non-controlling interests		7	7
<b>Shareholders' equity</b>	7	<b>4,291</b>	<b>4,132</b>
Non-current debt	9	4,239	4,426
Provisions for employee benefit obligations (more than one year)	5	452	427
Other non-current provisions	8	46	53
Deferred tax liabilities	12	198	229
Other non-current liabilities	8	125	117
<b>Non-current liabilities</b>		<b>5,060</b>	<b>5,252</b>
Trade payables	4	472	457
Other debts and deferred income	4	456	464
Current debt	9	265	75
Provisions for employee benefit obligations (less than one year)	5	17	15
Other current provisions	8	23	30
Current tax liabilities	12	8	23
<b>Current liabilities</b>		<b>1,241</b>	<b>1,064</b>
<b>Total equity and liabilities</b>		<b>10,592</b>	<b>10,448</b>

\* Restated figures as described in Note 4.1



## Consolidated Statement of Cash flows

<i>(in millions of euros)</i>	Notes	2016	2015*
<b>Operating income</b>		<b>696</b>	<b>791</b>
Income and expense with no impact on net cash	13	484	359
Net financial income other than cost of debt		(2)	8
<b>Operating cash flow before change in working capital and tax</b>		<b>1,178</b>	<b>1,158</b>
<b>Change in working capital</b>	13	<b>(77)</b>	<b>62</b>
Tax expenses		(226)	(233)
<b>Cash flows from operating activities</b>		<b>875</b>	<b>987</b>
Proceeds from sale of subsidiaries (net of cash sold) and associates	13	71	5
Purchase of property, plant, equipment and intangible assets	13	(792)	(527)
Change in debt and advances on asset acquisitions		31	72
Acquisition of non-consolidated investments	13	(19)	(49)
Acquisitions of subsidiaries and associates (net of cash acquired)	13	(1)	-
Change in other financial assets		(11)	(6)
Proceeds from sale of property, plant and equipment		27	31
Dividends received	13	70	58
<b>Cash flows from investing activities</b>		<b>(624)</b>	<b>(416)</b>
Capital grants received in the period		15	4
Net purchase/disposal of treasury shares		12	(24)
Dividends paid to shareholders of the parent company	7	(258)	(311)
Dividends paid to non controlling interests in the subsidiaries		(2)	-
Proceeds from long-term debt		7	507
Repayment of long-term debt		(4)	(179)
Interest paid		(115)	(125)
Interest received		18	27
<b>Cash flows from financing activities</b>		<b>(327)</b>	<b>(101)</b>
<b>Change in cash and cash equivalents</b>		<b>(76)</b>	<b>470</b>
Net cash and cash equivalents at beginning of the period		1,732	1,262
Net cash and cash equivalents at end of the period	13	1,656	1,732
<i>of which Cash and cash equivalents</i>		1,657	1,734
<i>of which Bank overdrafts</i>		(1)	(2)

\* Restated figures as described in Note 4.1





## Consolidated Statement of Changes in Equity

Number of shares	(in millions of euros)	Share capital	Share premium	Treasury shares	Retained earnings	Other equity items	Group share	Non-controlling interests	Total
98,960,600	<b>As at Jan 1, 2015</b>	297	543	-	3,239	(100)	3,979	1	3,980
	Net income	-	-	-	430	-	430	3	433
	Other equity items	-	-	-	11	19	30	-	30
	<b>Comprehensive income - 2015</b>	-	-	-	441	19	460	3	463
	Treasury share movements	-	-	(24)	-	-	(24)	-	(24)
	Dividends paid	-	-	-	(311)	-	(311)	-	(311)
	Other changes	-	-	-	21	-	21	3	24
98,960,600	<b>As at Dec 31, 2015*</b>	297	543	(24)	3,390	(81)	4,125	7	4,132
	Net income	-	-	-	435	-	435	3	438
	Other equity items	-	-	-	-	(4)	(4)	-	(4)
	<b>Comprehensive income - 2016</b>	-	-	-	435	(4)	431	3	434
	Treasury share movements	-	-	12	-	-	12	-	12
	Dividends paid	-	-	-	(258)	-	(258)	(3)	(261)
	Other changes	-	-	-	(26)	-	(26)	-	(26)
98,960,600	<b>As at Dec 31, 2016</b>	297	543	(12)	3,541	(85)	4,284	7	4,291

\* Restated figures as described in Note 4.1

Details of change is consolidated shareholder's equity and the detail of other equity items are given in note 7.



## NOTE 1 Basis of preparation of consolidated financial statements

### 1.1 Basis of preparation of financial statements

The Group's financial statements at 31 December 2016 were approved by the Board of Directors on 22 February 2017. They will be submitted for approval by the shareholders during the Annual General Meeting to be held on 11 May 2017.

Aéroports de Paris SA is a company domiciled in France. The Group's shares have been traded on the Paris stock exchange since 2006 and are currently listed on Euronext Paris Compartment A.

The consolidated financial statements comprise Aéroports de Paris SA financial statements and its subsidiaries as well as the Group's interests in associates and jointly controlled entities. The companies included in the consolidation scope prepared their individual statements for the year or interim period ended 31 December 2016.

The consolidated financial statements currency is euro. The values in the tables are in millions of euros. The use of rounded figures may sometimes leads to an insignificant gap on the totals or the variations.

#### Basis for the preparation of the financial statements

Preparing financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions which affect the application of accounting policies and the amounts of assets and liabilities, income and expenses or disclosures in the notes.

The underlying estimates and assumptions are based on historical experience and on the basis of the information available, or situations prevalent at the date of preparation of the accounts. Depending on changes in those assumptions and situations, estimated amounts accounted in the financial statements could differ from actual values.

Such estimates and assumptions used for the preparation of the financial statements concern essentially:

- Pension plans, termination benefits and other post-employment benefits (cf. note 5);
- Impairment tests of non-current assets and impairment tests of Investments in joint associates or joint venture (cf. paragraph 4.10.2);
- Provisions for risks and litigation (cf. note 8);
- The fair value of investment property (cf. note 6).

### 1.2 Accounting policies

#### Adopted IFRS as endorsed by the EU

The Group's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union as at 31 December 2016.

These standards are available on the European Commission's web site at the following address:

[http://ec.europa.eu/internal\\_market/accounting/ias/index\\_fr.htm](http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm).

These accounting principles do not differ from the International Financial Reporting Standards issued by the IASB, insofar as the standards and interpretations published by the IASBB, but have not yet been approved by the European Union, do not have any significant impact on the consolidated financial statements of Groupe ADP.

#### Standards, amendments and interpretations that have been endorsed by the EU and mandatory effective on January the 1st, 2016

Standards and amendments effective on January 1, 2016 and that have not been applied earlier by the Group are the following:

- ◆ Amendments to IFRS 11 - Accounting for Acquisitions of Interests in Joint Ventures (issued in May 2014);
- ◆ Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation (issued in May 2014);
- ◆ Annual improvements to IFRS 2012-2014 (issued in September 2014);
- ◆ Amendments to IAS 1 - Disclosure initiative (issued in December 2014);
- ◆ Amendments to IAS 19 - Defined benefit plans: employee contributions (issued in November 2013);
- ◆ Annual improvements to IFRS 2010-2012 (issued in December 2013).

The impact of these new amendments is considered immaterial on consolidated statements.



**Standards, amendments and interpretations that have been endorsed by the EU and applicable after January the 1st, 2016 and not adopted early by the Group**

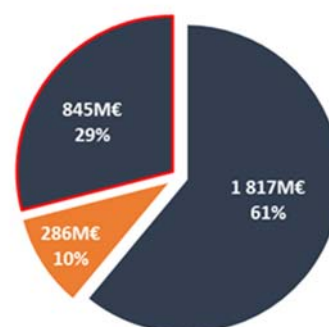
The Group has not applied the following standards, amendments and interpretations that are not applicable in 2016 but should subsequently be mandatory:

- ◆ IFRS 15 – Revenue from contracts with customers (issued in May 2014) and amendments to IFRS 15 – Date of entry into force (issued in September 2015). This standard will replace IAS 18 Revenue and IAS 11 Construction Contracts. This standard has been endorsed by September's 22 2016 regulation and must be applied from 2018 and subsequent years;
- ◆ Clarifications to IFRS 15 (issued in April 2016). The objective of this project is to clarify the guidance in IFRS 15 in respect of issues arising from the discussions of the TRG (Transition Resource Group). These topics are mainly related to the identification of performance obligations, distinction between principal versus agent and licenses. This standard must be applied from 2018 onwards subject to its adoption by the European Union;
- ◆ IFRS 16 – Leases (issued in January 2016). This standard will replace the standard IAS 17 as well as related IFRIC 4 Interpretation, SIC 15 and SIC 27. This standard must be applied from 2019 onwards subject to its adoption by the European Union;
- ◆ IFRS 9 Financial Instruments (issued in July 2014). This standard deals with classification and measurement of financial instruments, impairment of financial instruments and hedge accounting. IFRS 9 will replace IAS 39 Financial Instruments and has been endorsed by the EU on November 22th, 2016. This standard must be applied from 2018 and subsequent years ;
- ◆ Amendments to IAS 12 – Recognition of deferred tax assets for unrealised loss (issued in January 2016);
- ◆ Amendments to IAS 7 – proposed amendment under disclosure initiative (issued in January 2016);
- ◆ Amendments to IFRS 2 – classification and measurement of share-based payment transactions (issued in June 2016);
- ◆ Annual improvements to IFRS Standards 2014-2016 Cycle (issued on December 2016);
- ◆ IFRIC Interpretation 22 – Foreign Currency Transactions and Advance Consideration (issued on December 2016);
- ◆ Amendments to IAS 40 : Transfers of Investmenty Property (issued on December 2016).

The Group is currently assessing its revenue to determine the impact of IFRS 15 (and its clarifications) on its consolidated financial statements.

Preliminary analysis permit to consider that this standard should have a limited impact as 90% of Revenues recognition should not change with the implementation of IFRS 15.

Revenues not impacted by the implementation of IFRS 15 are mainly composed by leases, which are recognized according to IAS 17 "Leases", airport fees and revenues from airport safety and security services which are compliant to IFRS 15 revenue recognition principles.



- 2016 Revenue potentially impacted by IFRS 15
- 2016 Revenue not impacted (belonging to the IAS 17 "Leases" application scope)
- 2016 Revenue not impacted

Airport fees relate to a set of services used on short cycles (flight departure, flight arrival, parking of the aircraft) by the airlines on their own initiative. In consequence, revenues from airport fees are recognized when services are rendered on the basis of regulated prices applicable to all airlines.

With respect to airport safety and security services delegated to Aéroports de Paris SA by the "Direction Générale de l'aviation civile" (DGAC), revenues are recognized simultaneously as estimated costs eligible for reimbursement by the DGAC are incurred. This mission, including a set of services, is analysed as a whole performance obligation to satisfy continuously by Aéroports de Paris SA, the latter having primary responsibility for carrying out the mission to the DGAC.

The Group also analyses IFRS 9 to determine its impact on its financial statements. This standard introduces a new approach to the classification and measurement of financial assets, which will in particular modify the classification rules for non-consolidated loans and financial securities as well as the rules for impairment of receivables currently applied by the Group.

Regarding IFRS 16 - Leases, the standard requires the lessee to recognize all non-short-term leases and those on low-value assets in the balance sheet of the lessee. To date, operating leases expenses are recognized as operating expenses. Finally, as regards the standards mentioned above, they are not expected to have a material impact on the Group's consolidated financial statements.



## NOTE 2 Significant events

### Sale of the Group's equity interest in Mexican Airport Operator OMA

In October 2016, Groupe ADP exercised its option to exchange 25.5% of the shares held in SETA (Servicios de Tecnología Aeroportuaria SA de CV) for Class B shares of OMA (Grupo Aeroportuario del Centro Norte), for 4.3% of the capital of OMA, held by SETA. These shares were subsequently sold through a private placement. As a result of this transaction, the Group is no longer a shareholder of OMA or SETA. The result of this transaction before tax on companies amounts to €58 million (including the share of income accounted for by the equity method up to the sale date of €5 million). This result is presented on the line Share of profit in associates from non-operating activities.

### Proposed transfer of TAV Construction

The increase in TAV Construction's exposure to non-airport construction projects led Groupe ADP's management to decide at the end of December 2016 to transfer the whole of its stake in TAV Yatirim Holding (TAV Investment), representing 49% of the capital of this holding company, which holds 100% of TAV Construction.

As of December 31, 2016, this disposal is considered highly probable and should, regarding to the progress of the negotiations with potential purchasers, be completed in 2017. In 2016, TAV Construction shares were depreciated by €45 million and then have been reclassified under "Assets held for sale" at December 31, 2016.

## NOTE 3 Scope of consolidation

### 3.1 Accounting principles related to the scope

#### Consolidation principles

The consolidated accounts comprise financial statements of Aéroports de Paris SA, and its subsidiaries controlled exclusively.

In accordance with IFRS 11, joint arrangements are accounted differently depending on whether it involves joint operations or joint ventures. The Group records its interests in joint operations by integrating its shares of assets, liabilities, income and expenses. Investments in joint ventures that are jointly controlled as well as those in which the Group exercises significant influence are accounted for under the equity method. Under this method, the investment is recognized:

- initially at cost (including transaction costs);
- and is subsequently increased or decreased to recognize the Group's share of profit or loss and other movements in equity in the investee after the acquisition. The Group's share of profit or loss is recognized in the income statement, in a specific line either within the operating income or after the operating income depending on the nature of the investment (cf. glossary).

If there is objective evidence that an impairment loss has been incurred with respect to the net investment in an investee, an impairment test is performed. An impairment loss is recognized if the recoverable value of the investment falls below its carrying value.

#### Conversion of the financial statements of foreign subsidiaries, joint ventures and associated companies

The financial statements of foreign companies, whose functional currency is not the euro, are converted in euro as follows:

- assets and liabilities of each balance sheet presented are converted according to the closing rate in effect on each balance sheet date;
- income and expenditure and cash flows for each income statement are converted at exchange rates close to those in effect on the dates of transactions;
- the resulting exchange differences are accounted for as other elements on the comprehensive income statement and are reported on the balance sheet as equity in translation reserves.

None of the companies included within the scope of consolidation are situated in a hyperinflationary economy.



### Conversion of transactions denominated in foreign currencies

Transactions denominated in foreign currencies are recognized as follows:

- foreign currency transactions are initially recorded at the rate of exchange on the transaction date;
- at each closing balance sheet date, foreign currency monetary amounts are converted using the rate at the closing date, non-monetary items which are assessed at their historical cost are reported using the initial exchange rate, and non-monetary items assessed at fair value are reported at the rate in effect when the fair value was determined;
- exchange differences arising from settling or converting monetary items are reported in income under net financial charges.

### Business combinations

All business combinations are accounted for according to the acquisition method in accordance with IFRS 3. This method consists in assessing the fair value of the identifiable assets and liabilities of acquire at the acquisition date. The difference between the consideration paid and the share acquired in the fair value of the net identifiable assets is recognised:

- in the assets, as a Goodwill if this difference is positive;
- in the income statement as an "Other operating income" if this difference is negative.

Non-controlling interests may be valued either at fair value (full goodwill method) or at their share in the fair value of the net assets of the acquired company (partial goodwill method). In accordance with IFRS 3, the decision is made individually for each transaction.

In case of a put option held by non-controlling interests, interests held by non-controlling interests are reclassified from equity to liability. The put liability is measured initially at the present value of the exercise price. Subsequent Changes are recognised:

- In equity share of the group for the estimated put change in the period price
- In financial expenses to the extent of the discounting effect

After the business combination, subsequent changes in interests that do not modify the control over acquire are considered as a transaction between shareholders and are accounted for directly in equity.

## 3.2 Changes in the scope of consolidation

### 3.2.1 Changes in the scope of consolidation for 2016

Changes in the scope of consolidation for 2016 are the following:

- ◆ On February 2016, disposal of the company Cires Telecom that was held by Hub One for a stake of 49% ;
- ◆ The company Hub Safe Event entered into the scope of consolidation of Hub Safe for a stake of 100 % in May 2016;
- ◆ Sale of the Group's equity interest in Mexican Airport Operator OMA (cf. paragraph note 2);
- ◆ In July 2016, foundation of the company Roméo SCI held by Aéroports de Paris Investissement for a stake of 100%;
- ◆ Acquisition by Roissy Continental Square of the entire share capital of the company Hôtel RO3 SAS in July 2016;
- ◆ ADP Ingénierie acquired 20% of ADPI Middle East shares to the minority shareholder which brings its stake to 100%;
- ◆ The company Alacrité entered into the scope of consolidation of Hub One for a stake of 24 % in November 2016;
- ◆ Merger by absorption of the company Tank Holding Öw by Aéroports de Paris SA on 30 December 2016;
- ◆ The company Ravinala Airports entered into the scope of consolidation of ADP Management for a stake of 35 % in December 2016.



#### 3.2.2 Reminder of the changes in the scope for 2015

In 2015, the significant changes in scope of consolidation were:

- ◆ Establishment of the Aéroports de Paris SA Foundation ;
- ◆ On 5 May 2015, Aéroports de Paris SA exercised the call option granted to it by G3S covering 20 % of the share capital and the voting rights of Alyzia Holding;
- ◆ The Chilean company Sociedad Concesionaria Nuevo Pudahuel SA (SCNP) entered into the scope

of consolidation of Aéroports de Paris Management for a stake of 45 %;

- ◆ Foundation of the company EPIGO jointly controlled by Aéroports de Paris SA and SSP;
- ◆ Change of name of the company Hub Safe Régions in Hub Safe Nantes and foundation of the company Hub Safe Régional for a stake of 100%;
- ◆ Merger by absorption of the company Tank International Lux by Aéroports de Paris SA on 30 December 2015.

### NOTE 4 Information concerning the Group's operating activities

#### 4.1 Restated accounts 2015

The comparative figures for 2015 include:

- ◆ a change in the scope of the regulated asset base;
- ◆ and the full consolidation of the accounts of Média Aéroports de Paris previously accounted for by the equity method.

The change in the scope of the regulated asset base proposed by the Groupe ADP and confirmed by the the Airport Consultative Committee (Commission Consultative Aéroportuaire) resulted in a change in the asset allocation key of the asset base on January 1, 2016. In order to facilitate the reading and understanding of the Group's performance in 2016 compared to 2015, segmented restated accounts have been prepared. The 2015 revenue is presented according to the regulatory rules applicable in 2015, while the 2015 expenses take into account the impact of the change of the analytical allocation keys.

Impact on 2015 EBITDA restated compared to 2015 published for:

- the Aviation segment: +€26 million;
- the Retail and services segment: -€20 million;
- the Real estate segment: -€6 million;

Impact on operating income from ordinary activities:

- the Aviation segment: +€42 million;
- the Retail and services segment: -€32 million;
- the Real estate segment: -€10 million

Regarding Média Aéroports de Paris, Groupe ADP reviewed its links with that company and considers that it exercises a control over it, previously accounted for by the equity method.



## Financial information on the assets, financial position and consolidated financial statements

### Groupe ADP Consolidated Financial Statements and notes as of December 31, 2016

The following tables present the impact of these changes on the consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows:

#### Consolidated income statement

<i>(in millions of euros)</i>	2015 as published	2015 restated
<b>Revenue</b>	<b>2,916</b>	<b>2,935</b>
<i>Aviation</i>	<i>1,735</i>	<i>1,735</i>
<i>Retail and services</i>	<i>917</i>	<i>936</i>
<i>Real estate</i>	<i>265</i>	<i>265</i>
<i>International and airport developments</i>	<i>96</i>	<i>96</i>
<i>Other activities</i>	<i>215</i>	<i>215</i>
<i>Inter-sector eliminations</i>	<i>(312)</i>	<i>(312)</i>
<b>EBITDA</b>	<b>1,184</b>	<b>1,191</b>
<i>Aviation</i>	<i>443</i>	<i>469</i>
<i>Retail and services</i>	<i>552</i>	<i>540</i>
<i>Real estate</i>	<i>170</i>	<i>164</i>
<i>International and airport developments</i>	<i>(8)</i>	<i>(9)</i>
<i>Other activities</i>	<i>27</i>	<i>27</i>
<b>Amortisation &amp; Depreciation</b>	<b>(457)</b>	<b>(458)</b>
Share in associates and joint ventures from operating activities after adjustments related to acquisition of holdings	60	58
Share of profit or loss of operating associates and joint ventures before adjustments related to acquisition of holdings	107	105
Adjustments related to acquisition of holdings in operating associates and joint ventures	(47)	(47)
<b>Operating income from ordinary activities (including operating activities of associates)</b>	<b>787</b>	<b>791</b>
<i>Aviation</i>	<i>139</i>	<i>181</i>
<i>Retail and services</i>	<i>468</i>	<i>440</i>
<i>Real estate</i>	<i>115</i>	<i>105</i>
<i>International and airport developments</i>	<i>53</i>	<i>53</i>
<i>Other activities</i>	<i>12</i>	<i>12</i>
<b>Operating income (including operating activities of associates)</b>	<b>787</b>	<b>791</b>
Financial income	(106)	(106)
Associates from non-operating activities	6	6
Income taxes	(256)	(258)
Net income attributable to non-controlling interests	1	3
<b>Net income attributable to the Group</b>	<b>430</b>	<b>430</b>

#### Consolidated state of the financial situation

<i>(in millions of euros)</i>	As at Dec 31, 2015 published	As at Dec 31, 2015 restated
<b>Non-current assets</b>	<b>7,977</b>	<b>7,977</b>
<b>Current assets</b>	<b>2,434</b>	<b>2,447</b>
<b>Total assets</b>	<b>10,435</b>	<b>10,448</b>





<i>(in millions of euros)</i>	As at Dec 31, 2015 published	As at Dec 31, 2015 restated
Shareholders' equity - Group share	4,125	4,125
Non-controlling interests	1	7
Shareholders' equity	4,126	4,132
Non-current liabilities	5,253	5,251
Current liabilities	1,056	1,064
Total equity and liabilities	10,435	10,448

## Consolidated cash flows

<i>(in millions of euros)</i>	2015 published	2015 restated
Operating income	787	791
Operating cash flow before change in working capital and tax	1,151	1,158
Change in working capital	83	62
Cash flows from operating activities	1,003	987
Cash flows from investing activities	(438)	(416)
Cash flows from financing activities	(99)	(101)
Change in cash and cash equivalents	466	470
Net cash and cash equivalents at beginning of the period	1,262	1,262
Net cash and cash equivalents at end of the period	1,728	1,732
<i>of which Cash and cash equivalents</i>	1,729	1,734
<i>of which Bank overdrafts</i>	(1)	(2)

## 4.2 Operating sectors

In accordance with IFRS 8 "Operating sectors", sectoral information described below is consistent with internal reporting and sector indicators presented to the Group's operation decision maker (the CEO), in order to take decisions concerning resources to be dedicated to the sector and to evaluate the performance.

The operating sectors identified in the Groupe ADP are as follows:

**Aviation:** this operating sector includes all goods and services provided by the Group as an airport operator. Airport services are mainly paid for by the airport fees (landing, parking and passengers), ancillary fees (check-in and boarding counters, baggage sorting facilities, de-icing facilities and the supplying of electricity to aircraft, etc.) and the revenue from security and airport safety services such as security checkpoints and screening systems, aircraft rescue and fire-fighting services.

**Retail and services:** this operating sector is dedicated to retail activities provided to the general public. It includes rental income from retail activities in terminals (retails shops, bars and restaurants, banks and car rentals), activities of joint ventures involved in commercial distribution (Société de Distribution Aéroportuaire and RELAY@ADP), revenue from advertising (Média Aéroports de Paris) and restaurants (EPIGO), revenue from car parks, rental revenue (leasing of space within terminals and revenue from industrial services (production and supply of heat, drinking water, access to the chilled distribution networks...)). This sector also includes the agreement related to the construction of the Paris-Orly metro station on behalf of the company "Société du Grand Paris".

**Real estate:** this operating sector includes all the Group's property leasing services except for operating leases within airport terminals. These activities are operated by Aéroports de Paris SA and dedicated subsidiaries, or investments in associates and joint ventures (cf. list in note 19) and encompass the construction, commercialisation and lease management of office buildings, logistic buildings and freight terminals. This sector also includes the rent of serviced land.



**International and airport developments:** this sector includes subsidiaries and holdings which operate airport activities (design, building and operation) and are managed together to create synergies and support the Group's ambition. It includes the ADP Ingénierie subgroup, the Aéroports de Paris Management subgroup and investments in Schiphol Group, TAV Airports, and TAV Construction;

**Other activities:** this operating sector comprise all activities carried out by Aéroports de Paris SA subsidiaries, which operate in areas as varied as security services (Hub Safe) and telephony (Hub One). Since 2014, it also includes the company CDG Express Etudes, whose purpose is to carry out directly or indirectly all the necessary studies to achieve the CDG Express project.

Key indicators used and reviewed internally by the operation decision-maker of the Group are:

- Revenue;
- EBITDA;
- Share of profit or loss in associates and joint ventures from operating activities;
- Operating income from ordinary activities.

Revenue and net income of Groupe ADP break down as follows:

	Revenue				EBITDA	
	2016	of which inter-sector revenue	2015*	of which inter-sector revenue	2016	2015*
<i>(in millions of euros)</i>						
Aviation	1,743	(2)	1,735	1	488	469
Retail and services	941	151	936	141	527	540
Real estate	263	52	265	52	149	164
International and airport developments	97	14	96	13	2	(9)
Other activities	223	105	215	105	29	27
Eliminations	(320)	(320)	(312)	(312)	-	-
<b>Total</b>	<b>2,947</b>	<b>-</b>	<b>2,935</b>	<b>-</b>	<b>1,195</b>	<b>1,191</b>

\* Restated figures as described in Note 4.1

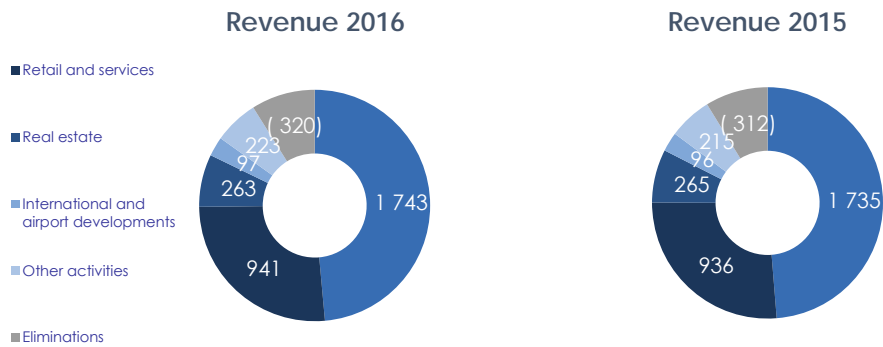
	Amortisation & Depreciation		Share of profit or loss in associates and joint ventures from operating activities**		Operating income from ordinary activities	
	2016	2015*	2016	2015*	2016	2015*
<i>(in millions of euros)</i>						
Aviation	(303)	(288)	-	-	186	181
Retail and services	(119)	(108)	1	8	409	440
Real estate	(43)	(46)	(2)	(13)	104	105
International and airport developments	-	(1)	(51)	63	(49)	53
Other activities	(14)	(15)	-	-	14	12
<b>Total</b>	<b>(479)</b>	<b>(458)</b>	<b>(52)</b>	<b>58</b>	<b>664</b>	<b>791</b>

\* Restated figures as described in Note 4.1

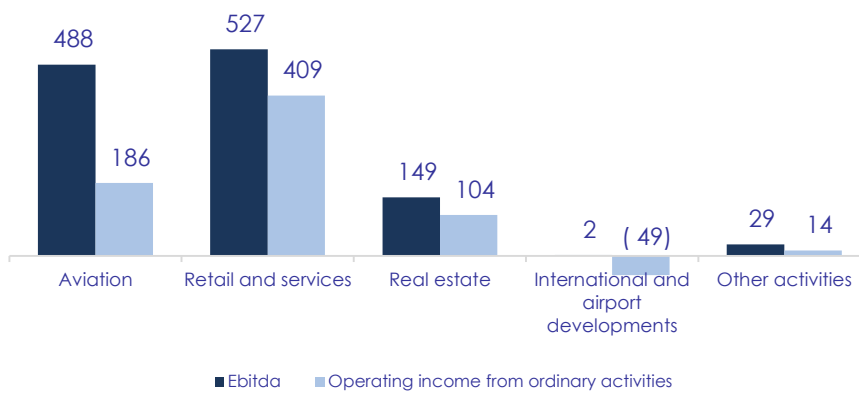
\*\*Including adjustments related to acquisition of holdings. These adjustments relate mainly to the depreciation of intangible assets (concession agreements, customer relationship) either 55 million in 2016 and 47 million in 2015.



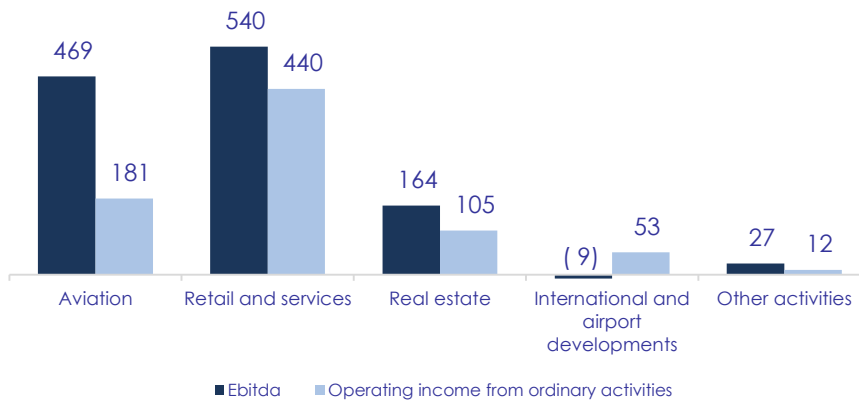
Groupe ADP Consolidated Financial Statements and notes as of December 31, 2016



EBITDA and 2016 operating income from ordinary activities



EBITDA and 2015 operating income from ordinary activities



The breakdown of the Group's revenue per operating sector and main customers is as follows:

	2016					Total
	Aviation	Retail and services	Real estate	International and airport developments	Other activities	
<i>(in millions of euros)</i>						
<b>Revenue</b>	<b>1,745</b>	<b>790</b>	<b>211</b>	<b>83</b>	<b>118</b>	<b>2,947</b>
Air France	578	68	82	-	8	736
Easy Jet	62	1	-	-	-	63
Federal Express Corporation	10	1	23	-	-	34
Vueling Airlines SA	28	-	-	-	-	28
Delta Airlines Inc	26	1	-	-	-	27
Other airlines	514	28	7	-	1	550
<b>Total airlines</b>	<b>1,218</b>	<b>99</b>	<b>112</b>	<b>-</b>	<b>9</b>	<b>1,438</b>
Direction Générale de l'Aviation Civile	496	1	-	-	-	497
Société de Distribution Aéroportuaire	-	272	-	-	1	273
RELAY@ADP	-	27	-	-	-	27
Travelex Paris SAS	-	15	-	-	-	15
EPIGO	-	14	-	-	-	14
Other customers	31	362	99	83	108	683
<b>Total other customers</b>	<b>527</b>	<b>691</b>	<b>99</b>	<b>83</b>	<b>109</b>	<b>1,509</b>

	2015*					Total
	Aviation	Retail and services	Real estate	International and airport developments	Other activities	
<i>(in millions of euros)</i>						
<b>Revenue</b>	<b>1,734</b>	<b>795</b>	<b>213</b>	<b>83</b>	<b>110</b>	<b>2,935</b>
Air France	575	69	78	-	9	731
Easy Jet	60	1	-	-	-	61
Federal Express Corporation	10	1	23	-	-	34
Delta Airlines Inc	24	1	-	-	-	25
Other airlines	530	21	5	-	1	557
<b>Total airlines</b>	<b>1,199</b>	<b>93</b>	<b>106</b>	<b>-</b>	<b>10</b>	<b>1,408</b>
Direction Générale de l'Aviation Civile	502	-	-	-	-	502
Société de Distribution Aéroportuaire	-	273	-	-	1	274
Relay@adp	-	27	-	-	-	27
Travelex Paris SAS	-	22	-	-	-	22
Other customers	33	380	107	83	99	702
<b>Total other customers</b>	<b>535</b>	<b>702</b>	<b>107</b>	<b>83</b>	<b>100</b>	<b>1,527</b>

\* Restated figures as described in Note 4.1

### 4.3 Revenue

Groupe ADP revenue breaks down as follows:

**Airport and ancillary fees:** the pricing of these fees is governed by the Economic Regulation Agreement (ERA) for the 2016-2020 period signed with the French State (except for the service fee for assistance to the disabled people and those with reduced mobility). This multi-annual agreement sets the cap for airport fees for the 2016-2020 period. Under these regulations, the airport operator receives a fair return on capital invested as part of its missions within the regulated scope.



This scope includes all Aéroports de Paris activities at airports in the Paris region with the exception of activities related to retail and services, land and real estate activities that are not aviation-related, activities linked to security and safety financed by the airport tax. Also included in this scope is the management by Aéroport de Paris SA of assistance with soundproofing for local residents, and other activities carried out by subsidiaries.

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

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

In accordance with IAS 18 (Revenue), fees are recorded for the period during which the service is provided.

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

- **Revenue from retail and services** is comprised of variable rents paid by business activities (shops, bars and restaurants, advertising, banks and currency exchange, car rental agencies, other terminal rentals) that are accounted for as income for the financial year in which it was generated; and rental income which corresponds to the fixed income received attached to leased areas in airports and is recognised on a straight-line basis over the term of the lease in accordance with IAS 17 (Leases). This aggregate also includes the revenue related to the construction of a metro station in Paris-Orly on behalf of the company "Société du Grand Paris". As studies and works of the metro station will be carried out over the period from 2015 to 2024, Groupe ADP has recognized the revenue using the percentage of completion method whereby revenue and profit are based on a ratio of costs incurred to total estimated costs of the project in accordance with IAS 11 (Construction contracts). Insofar as the overall profit or loss on completion of this project cannot be reliably determined, revenue recognition is limited to cost incurred.

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

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

- **Real estate revenue** is comprised of rental income from real-estate shares related to airport activity (except airports) and diversified real estate. This revenue is derived from operating leases. Fixed payments are on a straight-line basis over the term of the lease in accordance with IAS 17 (Leases). Rental charges due from tenants are accounted for as rental income.

- **Other revenue** comprises mostly revenue generated by the subsidiaries and financial income from operations below:

- Financial income generated as the lessor on financial leases is recognized as revenue to provide an accurate picture of the financial performance, notably in the real estate segment, where these proceeds are recognized.
  - Revenue from the subsidiary companies:
- **ADP Ingénierie:** revenues of this subsidiary are realized in connection with its airport design missions, consultancy services, assistance to the project owner and prime contractor. These services are mainly carried out internationally over periods covering several months and/or years. Revenues from these long-term contracts are accounted for using the percentage-of-completion method.
- **Aéroports de Paris Management's** revenues are mainly related to its international airport management activity and directors' fees related to investments in airport companies.



- **Hub One** offers telecom operator services, as well as traceability and mobility solutions of goods with its subsidiary Hub One Mobility.
- **Hub Safe** provides services in airport security. Its main non group customer is the airport of Nantes Atlantique, through its subsidiary Hub Safe Nantes.
- **Média Aéroports de Paris** offers advertisers an advertising exhibition at Paris airports via digital, connected and interactive solutions.

The breakdown of the Group's revenue is as follows:

<i>(in millions of euros)</i>	2016	2015*
Airport fees	1,003	998
Landing fees	233	211
Parking fees	151	136
Passengers fees	619	651
Ancillary fees	226	216
Revenue from airport safety and security services	480	486
Retail activities	451	453
Car parks and access roads	174	176
Industrial services revenue	40	44
Rental income	325	323
Other revenue	248	239
<b>Total</b>	<b>2,947</b>	<b>2,935</b>

\* Restated figures as described in Note 4.1

Consolidated revenue of the Group is up by 0.4 %, at €2,947 million, mainly due to:

- ◆ An increase in airport fees (+0.3%, to €1003 million), driven by passenger traffic dynamics (+1.8% at the Paris airports) and the increase in tariffs on 1 April 2015 (+2.4%), partially offset by lower revenues from passenger fees (-4.9% to €619 million);
- ◆ higher revenues from specialised airport fees of the aviation sector (+ 5.8% to €220 million), mainly due to growth in the proceeds from the baggage fee (+ 23.2% to €43 million) and the de-icing charge (+ 19.6% to €19 million);

- ◆ the increasing activities of the bars and restaurants (+ 24.6% to €39 million) and the boutiques in public areas, with a growth of 21.4% (to €18 million);

However, these items are offset by:

- ◆ the decrease in revenues related to airport security and safety (-1.4% to €480 million);
- ◆ the decrease in the revenues from airside shop fees (- 4.0% to €299 million), impacted by the slowdown in international traffic and an unfavorable exchange rate effect.



#### 4.4 Other ordinary operating income

Other ordinary operating incomes mainly include indemnities, operating subsidies and the share of investment grants transferred to the result at the same pace as depreciation of subsidised assets.

The breakdown of other ordinary operating income is as follows:

<i>(in millions of euros)</i>	2016	2015
Investment grants recognized in the income statement	2	5
Other income	27	13
<b>Total</b>	<b>29</b>	<b>18</b>

Other income is mainly related to amounts recognized under an indemnity agreement signed in 2015 with the "Société du Grand Paris" in the context of the construction of a metro station in Paris-Orly and also compensation due to various old disputes.

#### 4.5 Trade receivables and related accounts

Trade receivables and related accounts break down in the following manner:

<i>(in millions of euros)</i>	As at Dec 31, 2016	As at Dec 31, 2015*
Trade receivables	564	534
Doubtful receivables	41	58
Accumulated impairment	(57)	(76)
<b>Net amount</b>	<b>548</b>	<b>516</b>

\* Restated figures as described in Note 4.1

The Group's exposure to credit risk and to exchange rate risk, together with losses in value relating to customer accounts receivable and other debtors, are detailed in paragraph 9.5.3 .

Receivables being unusually overdue are individually analysed and can lead to depreciation according to the risk assessed and to the financial status of the customer. On the basis of historical default rates, the Group estimates that no additional depreciation or loss in value needs to be posted for receivables due or non-depreciated.

Impairment evolved as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2016	As at Dec 31, 2015
<b>Accumulated impairment at beginning of period</b>	<b>76</b>	<b>68</b>
Increases	7	18
Decreases	(26)	(9)
Translation adjustments	-	(1)
<b>Accumulated impairment at closing of period</b>	<b>57</b>	<b>76</b>

#### 4.6 Current operating expenses

Current operating expenses are reported according to their nature and comprise raw material and consumables used, external services and charges, taxes other than income taxes and other operating charges. As regards taxes, the Group considers that the company value-added contribution (Cotisation sur la Valeur Ajoutée des Entreprises - CVAE) cannot be analyzed as an income tax.





#### 4.6.1 Raw materials and consumables used

Raw materials and consumables used are detailed as follows:

<i>(in millions of euros)</i>	2016	2015*
Cost of goods	(31)	(29)
Electricity	(25)	(24)
Studies, research and remuneration of intermediaries	(16)	(15)
Gas and other fuels	(8)	(10)
Industrial supplies non-stored	-	(11)
Operational supplies	(12)	(1)
Other purchases	(21)	(20)
<b>Total</b>	<b>(113)</b>	<b>(110)</b>

\* Restated figures as described in Note 4.1

#### 4.6.2 Other current operating expenses

##### Summary statement

<i>(in millions of euros)</i>	2016	2015*
External services	(707)	(672)
Taxes other than income taxes	(262)	(238)
Other operating expenses	(27)	(16)
<b>Total</b>	<b>(996)</b>	<b>(926)</b>

\* Restated figures as described in Note 4.1

##### Breakdown of other external services and charges

<i>(in millions of euros)</i>	2016	2015*
Sub-contracting	(408)	(405)
Security	(154)	(152)
Cleaning	(73)	(72)
Persons with restricted mobility	(54)	(55)
Transport	(29)	(31)
Recycling trolleys	(13)	(13)
Caretaking	(11)	(8)
Other	(74)	(74)
Maintenance and repairs	(135)	(129)
Studies, research and remunerations of intermediaries	(49)	(41)
External personnel	(12)	(12)
Insurance	(15)	(13)
Travel and entertainment	(12)	(12)
Advertising, publications, public relations	(31)	(19)
Rental and leasing expenses	(13)	(10)
Other external expenses & services	(32)	(31)
<b>Total</b>	<b>(707)</b>	<b>(672)</b>

\* Restated figures as described in Note 4.1



### Breakdown of taxes other than income taxes

<i>(in millions of euros)</i>	2016	2015*
Territorial financial contribution	(66)	(57)
Property tax	(92)	(83)
Other taxes other than income taxes	(52)	(50)
Non refundable taxes on safety expenditure	(52)	(48)
<b>Total</b>	<b>(262)</b>	<b>(238)</b>

\* Restated figures as described in Note 4.1

### Breakdown of other operating charges

Other operating expenses include in particular the amount of fees for concessions, patents, licenses, rights and similar items, losses on bad debts and subsidies granted.

### 4.7 Trade payables and related accounts

Trade payables and related accounts are detailed below:

<i>(in millions of euros)</i>	As at Dec 31, 2016	As at Dec 31, 2015*
Operating payables	206	228
Assets payables	266	229
<b>Total</b>	<b>472</b>	<b>457</b>

\* Restated figures as described in Note 4.1

The exposure of the Group's trade payables and related accounts to exchange rate and liquidity risks is set out in paragraph 9.5.3.

### 4.8 Other receivables and prepaid expenses

The details of other receivables and prepaid expenses are as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2016	As at Dec 31, 2015*
Advances and deposit paid on orders	17	17
Tax receivables	72	55
Receivables related to employees and social charges	2	5
Prepaid expenses	13	12
Other receivables	11	23
<b>Total</b>	<b>116</b>	<b>112</b>

\* Restated figures as described in Note 4.1



## 4.9 Other payables and deferred income

Other payables and deferred income are broken down as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2016	As at Dec 31, 2015*
Advances and deposits received on orders	4	3
Employee-related liabilities	241	239
Tax liabilities (excl. current income tax)	47	50
Credit notes	19	18
Other debts	36	52
Deferred income	109	102
<b>Total</b>	<b>456</b>	<b>464</b>

\* Restated figures as described in Note 4.1

Deferred income consists mainly in:

- ◆ fixed rent revenue, i.e. €78 million as of December 31, 2016 (€67 million as of December 31, 2015);
- ◆ car park : subscription and reservation, i.e €12 million as of December 31, 2016 (€9 million as of December 31, 2015);
- ◆ the rent to Air France of terminal T2G, i.e. €3 million as of December 31, 2016 (€3 million as of December 31, 2015);

## 4.10 Investment in associates and joint ventures from operating activities

In accordance with the principle explained in paragraph 3.1 and in the glossary, the share of profit or loss in joint ventures is presented in a separate line in the operating profit or loss.

In practice, participations with these characteristics are TAV Airports, Schiphol Group, Nuevo Pudahuel, Société de Distribution Aéroportuaire, RELAY@ADP, EPIGO and real estate companies.

- ◆ **TAV Airports** is a leading airport operator in Turkey. It operates 14 airports and directly manages 13 airports throughout the world: Istanbul Atatürk, Ankara Esenboga, Izmir Adnan Menderes, Antalya Gazipasa and Milas-Bodrum's in Turkey, Tbilisi and Batumi in Georgia, Monastir and Enfidha in Tunisia, Skopje and Ohrid in Macedonia, Medina in Saudi Arabia and Zagreb airport alongside Aéroports de Paris Management. TAV Airports also operates the shops at Riga airport in Latvia. TAV Airports is also an operator in other airport service areas, like duty-free, catering, ground-handling, IT, security and operating services. The Group includes:
  - ten main subsidiaries in airport management activities: TAV Istanbul, TAV Ankara, TAV Izmir, TAV Gazipasa, TAV Bodrum and TAV Macedonia, which are 100%-owned; TAV Georgia, which is 80%-owned; TAV Medinah, which is 33%-owned; TAV Tunisia, which is 67% owned; and MZLZ in Croatia, in which the Group holds an indirect 15% stake;
  - three main service subsidiaries: ATU, which specialises in duty free and is 50%-owned; BTA, which specialises in catering and is 67%-owned; Havas, a ground-handling company, which is 100%-owned;
- three wholly-owned specialised service companies: TAV O&M, which manages airport lounges, TAV IT, which manages airport IT systems, and TAV Security, which provides security services.
- ◆ **Aéroports de Paris SA and NV Luchthaven Schiphol (Schiphol Group)**, which is the operator for Amsterdam Airport Schiphol, created a long-term industrial cooperation and capital 8% cross-equity investment agreement at the end of 2008 that has created a leading alliance in the global airport industry. This industrial cooperation agreement between two of Europe's leading airport groups for an initial duration of 12 years represents a bold strategic move that has generated significant mutual benefits for both companies in all their core areas of business.

The summarised financial information of these two companies is presented in paragraph 4.10.5.

For commercial joint ventures, Société de Distribution Aéroportuaire, RELAY@ADP and EPIGO, the relationship



Groupe ADP Consolidated Financial Statements and notes as of December 31, 2016

between those companies and Aéroports de Paris SA is described in note 14.

#### 4.10.1 Profit and loss of associates and joint ventures

The amounts appearing within the income statement are broken down by entity as follows:

<i>(in millions of euros)</i>	2016	2015*
<b>International and airport developments</b>	<b>(51)</b>	<b>63</b>
Schiphol Group (Netherlands)	12	19
TAV Airports (Turkey)	(1)	36
TAV Construction (Turkey)***	(67)	6
Nuevo Pudahel (Chile)	4	1
ZAIC-A Limited (United Kingdom)	1	-
Other	-	1
<b>Retail and services</b>	<b>1</b>	<b>8</b>
Société de Distribution Aéroportuaire	3	6
RELAY@ADP	2	2
EPIGO	(4)	-
<b>Real estate</b>	<b>(2)</b>	<b>(13)</b>
<b>Share of profit or loss in associates and joint ventures from operating activities</b>	<b>(52)</b>	<b>58</b>
<b>Of which adjustments related to acquisition**</b>		
<i>Schiphol Group</i>	(6)	(4)
<i>TAV Airports</i>	(49)	(43)
<b>Total</b>	<b>(55)</b>	<b>(47)</b>

\* Restated figures as described in Note 4.1

\*\* These adjustments relate mainly to the depreciation of intangible assets (concession agreements, customer relationship)

\*\*\* TAV Construction's share of income includes the share of income for the period, representing a loss of €22 million and the impairment of investments for €45 million (see note 2)

#### 4.10.2 Impairment tests on investments in associates and joint ventures

Investments in associates are tested for impairment when the Group identifies one or more indices of impairment likely to have an impact on the future estimated cash flows from these associates. An impairment loss is recognized if the recoverable value of the investment falls below its carrying value.

At December 31, 2016, there is no indication of an impairment loss that could have a material impact on the estimated future cash flows of the Group's interest in associates, except for the equity interest held in TAV Airports.

The valuation of the shares of TAV Airports held by Aéroports de Paris SA on the basis of the share price and the euro / lira parity as at 31 December 2016 amounts to €524 million and is lower than equity value of €597 million. The year 2016 was nevertheless marked in Turkey by a series of attacks and a coup attempt that affected the activity and the share price.

The recoverable amount of the shares of TAV Airports held by Aéroports de Paris SA, which is driven by the management forecasts of TAV Airports, nevertheless remains slightly higher than the equity value of €597 million. In addition, the sensitivity

analyses carried out in particular on traffic forecasts confirm the value of TAV Airports' shares, even in degraded scenarios. Thus, sensitivity analyses conducted show that a reduction in traffic of around 16% in 2017 (compared to 2016), followed by a growth dynamics of traffic in line with the current forecasts for the Istanbul Atatürk airport would be necessary in order for the recoverable amount of the shares of TAV Airports to fall below their equity value.

In addition, to the best of our knowledge, the proposed construction of the third airport in Istanbul is not expected to have a significant impact on the future revenues of the entity related to the Istanbul Atatürk airport concession, TAV Airports and TAV Istanbul (100% owned by TAV Airports) have been officially notified by the Turkish Civil Aviation Authority (Devlet Hava Meydanları İşletmesi or DHMI) that TAV Istanbul will be



compensated for the loss of profit that it may incur between the date of opening of the new airport and the date of termination of the current lease. The practical arrangements

for determining this allowance will be negotiated with the DHMI, which is expected in 2017.

#### 4.10.3 Breakdown of balance sheet amounts

The amounts relating to holdings entered in line with the equity method can be analysed as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2016	As at Dec 31, 2015*
<b>International and airport developments</b>	<b>1,071</b>	<b>1,186</b>
Schiphol Group (Netherlands)	412	414
TAV Airports (Turkey)	597	662
TAV Construction (Turkey)**	-	75
Nuevo Pudahel (Chile)	50	27
Medunarodna Zracna Luka Zagreb (Croatia)	10	7
Other	2	1
<b>Retail and services</b>	<b>10</b>	<b>20</b>
Société de Distribution Aéroportuaire	4	11
RELAY@ADP	3	3
EPIGO	2	6
<b>Real estate</b>	<b>9</b>	<b>8</b>
<b>Other activities</b>	<b>-</b>	<b>-</b>
<b>Total activities from operating associates</b>	<b>1,090</b>	<b>1,214</b>
Total activities from non-operating associates	11	15
<b>Total investment in associates</b>	<b>1,101</b>	<b>1,229</b>

\* Restated figures as described in Note 4.1

\*\* Reclassified as an asset held for sale as at December 31, 2016 (see note 2)

The goodwill accounted and included within the share consolidated using the equity method, as above amounts to:

- ◆ €120 million for Schiphol;
- ◆ €56 million for TAV Airports.



#### 4.10.4 Changes in share of net assets

Changes in the Group's share of the net asset value of associates and joint ventures at the beginning and ending of the periods are as follows:

	Net amount as at Jan 1, 2016*	Share of net profit (loss) for the period	Change in consolidation scope	Subscription of share capital	Change in translation adjustment reserves	Change in other reserves and reclassifications	Dividends paid	Net amount as at Dec 31, 2016
<i>(in millions of euros)</i>								
<b>International and airport developments</b>	<b>1,186</b>	<b>(51)</b>	<b>-</b>	<b>19</b>	<b>1</b>	<b>(28)</b>	<b>(56)</b>	<b>1,071</b>
Schiphol Group (Netherlands)	414	12	-	-	-	1	(15)	412
TAV Airports (Turkey)	662	(1)	-	-	(5)	(18)	(41)	597
TAV Construction (Turkey)**	75	(66)	-	-	2	(11)	-	-
Nuevo Pudahel (Chile)	27	4	-	15	4	-	-	50
Medunarodna Zracna Luka Zagreb (Croatia)	7	-	-	3	-	-	-	10
Other	1	-	-	1	-	-	-	2
<b>Retail and services</b>	<b>20</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11)</b>	<b>10</b>
Société de Distribution Aéroportuaire	10	3	-	-	-	-	(9)	4
RELAY@ADP	4	2	-	-	-	-	(2)	4
EPIGO	6	(4)	-	-	-	-	-	2
Other	-	-	-	-	-	-	-	-
<b>Real estate</b>	<b>8</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>9</b>
<b>Other activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total activities from operating associates</b>	<b>1,214</b>	<b>(52)</b>	<b>-</b>	<b>19</b>	<b>1</b>	<b>(25)</b>	<b>(67)</b>	<b>1,090</b>
Total activities from non-operating associates	15	58	(60)	-	-	1	(3)	11
<b>Total investment in associates</b>	<b>1,229</b>	<b>6</b>	<b>(60)</b>	<b>19</b>	<b>1</b>	<b>(24)</b>	<b>(70)</b>	<b>1,101</b>

\* Restated figures as described in Note 4.1

\*\* Reclassified as an asset held for sale as at December 31, 2016 (see note 2)

The accounting aggregates of TAV Airports and Schiphol have been drawn up in compliance with the International Financial Reporting Standards (IFRS) adopted by the European Union.



#### 4.10.5 Summary Financial Information

The aggregate amounts for assets, liabilities, revenue and net income of associates, as they appear within the provisional financial statements for these entities for 2016 and the final statements for 2015, are as follows:

<i>(in millions of euros)</i>	TAV Airports		Schiphol Group	
	As at Dec 31, 2016	As at Dec 31, 2015	As at Dec 31, 2016	As at Dec 31, 2015
Property, plant and equipment	1,938	1,953	4,605	4,470
Investments in associates	94	106	890	858
Other non-current financial assets	232	270	158	125
Deferred tax assets	37	58	166	193
<b>Non-current assets</b>	<b>2,301</b>	<b>2,387</b>	<b>5,819</b>	<b>5,646</b>
Inventories	9	11	-	-
Trade receivables	158	131	226	226
Other receivables and prepaid expenses	153	147	7	4
Cash and cash equivalents	480	630	239	394
<b>Current assets</b>	<b>800</b>	<b>919</b>	<b>472</b>	<b>624</b>
Assets held for sales	-	-	144	135
<b>Total assets</b>	<b>3,101</b>	<b>3,306</b>	<b>6,435</b>	<b>6,405</b>

<i>(in millions of euros)</i>	TAV Airports		Schiphol Group	
	As at Dec 31, 2016	As at Dec 31, 2015	As at Dec 31, 2016	As at Dec 31, 2015
<b>Shareholders' equity - Group share</b>	<b>808</b>	<b>808</b>	<b>3,813</b>	<b>3,684</b>
Non-controlling interests	(1)	5	36	32
<b>Shareholders' equity</b>	<b>807</b>	<b>813</b>	<b>3,849</b>	<b>3,716</b>
Non-current debt	723	918	2,091	1,926
Other non-current liabilities	671	675	145	151
<b>Non-current liabilities</b>	<b>1,394</b>	<b>1,593</b>	<b>2,236</b>	<b>2,077</b>
Trade payables	334	288	333	316
Current debt	566	612	17	296
<b>Current liabilities</b>	<b>900</b>	<b>900</b>	<b>350</b>	<b>612</b>
<b>Total equity and liabilities</b>	<b>3,101</b>	<b>3,306</b>	<b>6,435</b>	<b>6,405</b>





<i>(in millions of euros)</i>	TAV Airports		Schiphol Group	
	2016	2015	2016	2015
<b>Revenue</b>	1,072	1,060	1,436	1,423
Share of profit or loss in associates and joint ventures from operating activities	17	21	-	-
<b>Operating income</b>	<b>319</b>	<b>384</b>	<b>413</b>	<b>505</b>
Financial income	15	15	7	8
Financial expenses	(124)	(118)	(98)	(97)
<b>Financial income</b>	<b>(109)</b>	<b>(103)</b>	<b>(91)</b>	<b>(89)</b>
Share of profit or loss in associates and joint ventures from non-operating activities	-	-	65	60
<b>Income before tax</b>	<b>210</b>	<b>281</b>	<b>388</b>	<b>477</b>
Income tax expense	(90)	(80)	(84)	(99)
<b>Net income</b>	<b>120</b>	<b>201</b>	<b>304</b>	<b>378</b>
<b>Net income attributable to the Group</b>	<b>127</b>	<b>210</b>	<b>299</b>	<b>374</b>
Net income attributable to non-controlling interests	(7)	(9)	5	4
<b>Total comprehensive income for the period</b>	<b>110</b>	<b>214</b>	<b>322</b>	<b>402</b>

## NOTE 5 Cost of employee benefits

Groupe ADP offers benefits to employees such as end-of-career indemnities and health coverage to some of its retiring employees. The main benefit plans are described below. These benefits are classified and accounted for in accordance with IAS 19 applicable since 1 January 2013 "Employee benefits".

### Post-employment benefits – Defined contributions plans

Defined contributions plans are post-employment benefit plans under which the Group's commitment is limited solely to the payment of contributions. The contributions paid are expensed in the period in which they occur.

### Post-employment benefits – Defined benefit plans

Defined benefit plans entail an obligation for the Group to pay an amount or a level of defined benefits. This obligation is recognized as a provision based on an actuarial estimate.

The measurement method used is the projected unit credit method. It consists in estimating the amount of future benefits acquired by employees in exchange for services rendered in the current and prior periods.

Estimates are performed at least once a year by an independent actuary. They rely on assumptions such as life expectancy, staff turnover, and wages forecasts. The discount rate used at year-end is based on first-class bonds of which the maturity date is close to that of the Group's commitments. When these plans are funded by external funding and meet the definition of plan assets, the provision is reduced by the fair value of plan assets.

This provision is broken down into:

- service costs: they are recognized in the operating income together with other staff expenses;
- net interest on the net defined liability (including interests from the plan's assets), which include the accretion expense of the liability and the implicit revenue of return on assets;
- re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, and the difference between the return on plan assets and interest income on plan assets (included in net interests). They are recognized immediately and fully in other comprehensive income (OCI).

In case of a plan amendment, a curtailment or a liquidation, past service costs are recognized immediately in income.



#### Other long term employee benefits

Other long term employee benefits include items such as aeronautics industry long-service awards payable to employees of Aéroports de Paris SA, and the corresponding distinguished service bonuses. These are benefits of which the settlement date is expected to exceed 12 months after the end of the reporting period in which the employees render the related services. Measurement and accounting methods are similar to those used for defined benefit plans except for re-measurements that are recognized immediately in income, and not OCI (equity).

#### Termination benefits

Termination benefits payable as a result of voluntary redundancy plan are recognized as a liability and expense at the earlier of the following dates:

- date on which the Group can no longer withdraw the offer of those benefits; or
- date on which the Group recognizes costs for restructuring that involves the payment of termination benefits.

Concerning the non-recurring elements, the expense is recognized as other operating income and expenses in the income statement. Actuarial hypotheses are presented in paragraph 5.2.3.

## 5.1 Staff expenses and number of employees

Staff expenses can be analysed as follows:

<i>(in millions of euros)</i>	2016	2015*
Salaries and wages	(486)	(477)
Social security expenses	(234)	(240)
Salary cost capitalised	66	53
Employees' profit sharing and incentive plans	(37)	(39)
Net allowances to provisions for employee benefit obligations	(7)	(9)
<b>Total</b>	<b>(698)</b>	<b>(712)</b>

\* Restated figures as described in Note 4.1

Capitalised production which amounts to €66 million, represents mainly internal cost related to employees who are involved in construction projects of the company assets including studies, overseeing of construction activities and assistance to the contracting authority.

The Competitiveness Employment Tax Credit ("CICE") amounts to €7 million as at December 31, 2015. It is recognized as a reduction of staff expenses in "Salaries and wages".

The average number of employees can be broken down as follows:

	2016	2015*
<b>Average number of employees</b>	<b>8947</b>	<b>9008</b>
Aéroports de Paris SA	6478	6553
Hub Safe Group**	1498	1494
Hub One Group	448	447
ADP Ingénierie Group	412	411
Média Aéroports de Paris	60	63
Aéroports de Paris Management Group	51	40

\* Restated figures as described in Note 4.1

\*\* Employees adjusted in 2015 to take account of the average number of employees of the subsidiary Hub Safe Nantes. The end-of-period staff of the subgroup in 2015 was 1,545.



## 5.2 Post-employment employee benefits and other long term obligations

### 5.2.1 Description of the various benefits

#### A. END-OF-CAREER INDEMNITIES

The Group offers end-of-career indemnities to employees entitled to assert their right to retire. Benefit paid is in the form of a capital in months of salary based on seniority within the Group performed at the date of retirement. Employer contributions are due on this amount.

The main non-financial risks (discount rate/salary escalation rate) and non-demographic risks (turnover rate) to this plan are the risks of increase in employer contributions applicable to the Group, renegotiation of rights defined by the company's agreement and changes in the amount of the minimum legal retirement indemnity.

#### B. HEALTH COVERAGE

Aéroports de Paris SA contributes to financing the contribution of two mutual insurance agreements covering two closed populations of retired employees.

The main risks identified are the risk of:

- ◆ increase in employers' contributions applicable to the financial participation of Aéroports de Paris SA;
- ◆ increase in medical costs incurred by the mutual, as they have an impact on the financial participation of Aéroports de Paris SA.

#### C. DEFINED BENEFIT PLAN

Aéroports de Paris SA provides additional retirement pensions and has insurance contracts to support the management of annuity payments.

In this context, Aéroports de Paris SA has opted for the Fillon tax on the premiums paid into the collective fund of the insurer (24 %) for the defined benefit plan, and the tax on

annuities paid by the insurer (32 % for liquidations occurred from the 1<sup>st</sup> January 2013) for the other schemes. Therefore, the main risk is a legal upward revision of the Fillon tax, which would automatically increase the Group's commitment.

There are two defined benefit plans:

- ◆ A defined benefit plan – This plan is of additional type and relates to all employees.
- ◆ A supplementary pension scheme – This pension scheme is:
  - of additional type for fire-fighters. The temporary pension is paid simultaneously with PARDA annuity,
  - a life annuity and of differential type for a majority of the beneficiaries of the PARDA scheme.

#### D. OTHER BENEFITS

Aéroports de Paris SA provides other benefits to its employees generating a social commitment:

- ◆ An early retirement scheme PARDA ("Protocole d'Accord de Régime de Départ Anticipée") : this early retirement scheme consists of paying income replacement benefits during a temporary period before retirement of fire-fighters as well as the corresponding social contributions and the Fillon tax of 50%;
- ◆ A long service award for its employees.



### 5.2.2 Breakdown of obligations under the various benefits

Breakdown of obligations, changes in assets and liabilities and reconciliation in the balance sheet, and in the income statement:

	Post-employment benefits				Other long-term benefits	Total as at 31/12/2016	Total as at 31/12/2015*
	Retirement Plan	Health cover	Additional retirement benefits	PARDA	Long-service medals		
<i>(in millions of euros)</i>							
Present value of obligation at opening	292	74	67	10	1	444	474
Changes in scope of consolidation	-	-	-	-	-	-	1
Service costs for the period	16	-	3	2	-	21	22
Interest costs	6	1	2	-	-	9	9
Actuarial gain/(loss) in the period**	16	(5)	2	(1)	-	12	(24)
Benefits paid	(8)	(3)	(4)	(1)	-	(16)	(13)
Reduction/curtailment	-	-	-	-	-	-	(25)
<b>Present value of obligation at closing</b>	<b>322</b>	<b>67</b>	<b>70</b>	<b>10</b>	<b>1</b>	<b>470</b>	<b>444</b>
Fair value of plan assets at beginning of period	-	-	(2)	-	-	(2)	(2)
Contributions paid	-	-	(3)	-	-	(3)	(4)
Benefits paid	-	-	4	-	-	4	4
<b>Fair value of plan assets</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(2)</b>
Commitments unfunded at end of period	322	67	69	10	1	469	442
<b>Liabilities recognized in the balance sheet at end of period</b>	<b>322</b>	<b>67</b>	<b>69</b>	<b>10</b>	<b>1</b>	<b>469</b>	<b>442</b>
Interest costs	6	1	2	-	-	9	9
Service cost for the period	16	-	3	2	-	21	22
Reduction/curtailment	-	-	-	-	-	-	(25)
<b>Expense for the period</b>	<b>22</b>	<b>1</b>	<b>5</b>	<b>2</b>	<b>-</b>	<b>30</b>	<b>6</b>
Liabilities recognized in the balance sheet at beginning of period	292	74	65	10	1	442	472
Expense for the period	22	1	5	2	-	30	6
Impact of other comprehensive income	16	(5)	2	(1)	-	12	(24)
Changes in scope of consolidation	-	-	-	-	-	-	1
Benefits and contributions paid directly	(8)	(3)	(3)	(1)	-	(15)	(13)
<b>Liabilities recognized in the balance sheet at end of period</b>	<b>322</b>	<b>67</b>	<b>69</b>	<b>10</b>	<b>1</b>	<b>469</b>	<b>442</b>

\* Restated figures as described in Note 4.1

\*\* The total actuarial losses incurred on the obligation of €12 million are due to losses resulting from the change in financial assumptions (+€33 million), mainly as a result of the reduction in the discount rate, offset by (-€11 million) and gains due to changes in demographic assumptions (-€10 million).



The flows explaining the changes in provision are as follows:

<i>(in millions of euros)</i>	Present value of employee benefit obligation	Fair value of plan assets	Net actuarial liability
<b>As at Dec 31, 2015*</b>	444	(2)	442
Service costs for the period	21	-	21
Interest costs	9	-	9
Actuarial gain/(loss) in the period	12	-	12
Cash flows:			
Payments to beneficiaries	(16)	-	(16)
Contributions paid	-	(3)	(3)
Payments received from third parties	-	4	4
<b>As at Dec 31, 2016</b>	<b>470</b>	<b>(1)</b>	<b>469</b>

\* Restated figures as described in Note 4.1

### 5.2.3 Assumptions and sensitivity analysis

The main assumptions used are as follows:

	As at Dec 31, 2016
Discount rate / Expected rate of return on plan assets	1.50%
Inflation rate	1.75%
Salary escalation rate (inflation included)	1.75% - 3.55%
Future increase in health care expenses	4.75%
Average retirement age	62 - 65 years

The rate used for discounting the commitment is representative of the rate of return for first-class bonds in euros with duration comparable to those of the commitments involved (weighted average duration of 12.0 years).

Mortality assumptions used are those defined by:

- ◆ mortality tables of men/women TH-TF 2012-2014 on the service period of beneficiaries; and
- ◆ generational tables of men/women TGH-TGF 00-05 on the annuity phase..



The table below shows the sensitivity of the commitment to the principal actuarial assumptions:

(in millions of euros)	Low assumption	Impact on present value of obligation at 31/12/16	High assumption	Impact on present value of obligation at 31/12/16
Drift in medical costs	-1.00%	(4)	1.00%	5
Discount rate / Expected rate of return on plan assets	-0.50%	33	0.50%	(30)
Mortality rate	- 1 year	7	+ 1 year	(7)
Salary escalation rate (inflation included)	-0.50%	(19)	0.50%	21

### 5.3 Provisions for employee benefit commitments on the balance sheet

Provisions for employee benefit obligations have evolved as follows on the liabilities of the balance sheet:

(in millions of euros)	2016	2015*
<b>Provisions as at 1 January</b>	<b>442</b>	<b>472</b>
<b>Increases</b>	<b>42</b>	<b>32</b>
Operating allowances	21	23
Financial allowances	9	9
Recognition of actuarial net gains	12	-
<b>Decreases</b>	<b>(15)</b>	<b>(62)</b>
Provisions used	(15)	(13)
Recognition of actuarial net gains	-	(24)
Reduction/curtailment	-	(25)
<b>Provisions at 31 December</b>	<b>469</b>	<b>442</b>
Non-current portion	452	427
Current portion	17	15

\* Restated figures as described in Note 4.1

#### 5.3.1 Better estimate of the contributions to be paid

The amount for contributions that the Group believes it will need to pay into the assets side of the defined benefits schemes in 2016 is not of a significant nature.

## NOTE 6 Intangible assets, tangible assets and investment property

### 6.1 Intangible assets and property, plant and equipment

Intangible assets include:

- goodwill generated by business combinations in accordance with the principles outlined in note 3;
- patents and licenses;
- computer software;
- usage rights.

Goodwill is not amortizable. In compliance with IAS 36, Impairment of assets, goodwill is subject to an annual impairment test or more frequently if there is objective evidence that an impairment loss has been incurred. An impairment loss is recognized if the recoverable value falls below its carrying value. Impairment 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.

Intangible assets are depreciated using the straight-line method according to their estimated useful life:

Software	4 to 10 years
Patent and licenses	4 to 10 years
User right	15 years

Amortizable intangible assets are only tested for impairment if there is evidence that an impairment loss has been incurred. The residual value and useful life of an asset are reviewed at least at each financial year end and adjusted, if appropriate.

Intangible assets are detailed as follows:

	Goodwill	Software	Other	Fixed assets in progress, related advances & prepayments	Total
<i>(in millions of euros)</i>					
Gross value	25	232	5	31	293
Accumulated amortisation & depreciation	(7)	(181)	(1)	-	(189)
<b>Carrying amount as at Jan 1, 2016</b>	<b>18</b>	<b>51</b>	<b>4</b>	<b>31</b>	<b>104</b>
Purchases	-	2	-	24	26
Depreciation and Amortisation	-	(18)	(2)	-	(20)
Transfers to and from other headings	-	32	-	(32)	-
<b>Carrying amount as at December 31, 2016</b>	<b>18</b>	<b>67</b>	<b>2</b>	<b>23</b>	<b>110</b>
Gross value	25	264	4	23	316
Accumulated amortisation & depreciation	(7)	(197)	(2)	-	(206)

As of December 31, 2016, the goodwill relates mainly to:

- ◆ Roissy Continental Square for €7 million;
- ◆ Hub One Mobility for €12 million.

The net amount for transfers to and from other headings relates in particular to the reclassification of fixed assets under construction as tangible and intangible assets.

## 6.2 Tangible assets

The identifiable tangible assets acquired in a business combination are measured at fair value from the date of the business combination. Tangible assets acquired or produced outside of a business combination are recognized at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an asset produced by the Group itself includes exclusively direct labor costs.

Subsequent costs are included in the asset's carrying amount when it is probable that these costs generate future economic benefits and can be reliably measured. Current maintenance costs are recorded when they are incurred.

From January 1, 2009, borrowing costs are capitalised for eligible assets.

The Group as a lessee holds financial leases related to real property. Finance lease agreements, which transfer to the Group virtually all risks and rewards attached to ownership of the leased asset, are recognized in the balance sheet at the beginning of the lease period at the fair value of the leased asset or, if less, at the discounted value of minimum lease



payments. Lease payments are broken down between financial expenses and the reduction of the outstanding liability to obtain a constant periodic interest rate on the outstanding balance.

Depreciable tangible assets, which have been purchased outright or under finance lease agreements, are depreciated using the straight-line method according to their estimated useful life:

Airport terminal and underground car park buildings	30 to 60 years
Non-terminal buildings	20 to 50 years
Airport terminals and non-terminal furnishings	10 to 20 years
Land development	20 years
Turning areas, aprons, bridges, tunnels, roads	10 to 50 years
Baggage handling equipment and facilities	10 to 20 years
Airbridges	20 to 25 years
Security and safety facilities and equipment	5 to 20 years
Computer hardware	5 years

The Group achieved in 2016 a review of the useful life applicable to airport works in regard of the useful life technically permissible by the structures and with development prospects formalised in the ERA 2016-2020. Therefore, some useful lives have been extended from 50 to 60 years.

The residual value and useful life of an asset are reviewed at least at each financial year end and adjusted, if appropriate. Land is not depreciated except if there is evidence that an impairment loss has incurred.

When it is probable or highly probable that an asset or a group of asset will be recovered principally through a sale transaction rather than through continuing use, the asset or the group of asset is reclassified on a separate line in the balance sheet, Non-current assets held for sale. Non-current assets or disposal groups that are classified as held for sale are measured at the lower carrying amount and fair value less costs to sell and the carrying amount is no longer amortized. A tangible asset is derecognized when withdrawn or when no future economic benefit is expected from its use or disposal. Any gain or loss resulting from derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement (disclosed in a separate line "Other operating income and expenses").

Property, plant and equipment are detailed as follows:

	Land and improvements of land	Buildings	Plant and equipment	Other	Fixed assets in progress, related advances & prepayments	Total
<i>(in millions of euros)</i>						
Gross value	66	10,036	250	359	456	11,167
Accumulated amortisation & depreciation	(14)	(4,803)	(172)	(218)	-	(5,207)
<b>Carrying amount as at Jan 1, 2016*</b>	<b>52</b>	<b>5,233</b>	<b>78</b>	<b>141</b>	<b>456</b>	<b>5,960</b>
Purchases	-	-	6	-	759	765
Disposals and write-offs	-	31	-	-	-	31
Depreciation and Amortisation	(1)	(432)	(19)	(18)	-	(470)
Transfers to and from other headings	2	423	17	15	(472)	(15)
<b>Carrying amount as at December 31, 2016</b>	<b>53</b>	<b>5,255</b>	<b>82</b>	<b>138</b>	<b>743</b>	<b>6,271</b>
Gross value	69	10,340	268	370	743	11,790
Accumulated amortisation & depreciation	(16)	(5,085)	(186)	(232)	-	(5,519)

\* Restated figures as described in Note 4.1





### Groupe ADP Consolidated Financial Statements and notes as of December 31, 2016

The net amount of transfers to and from other headings mainly concerns the reclassification of fixed assets under construction as tangible and intangible assets. This reclassification focuses in particular on the following implemented items:

- ◆ completion of the construction of the extension of the East pier of the South terminal on Paris-Orly;
- ◆ the renovation of landing runway 2 at Paris-Charles de Gaulle;
- ◆ several evolutions and maintenance in operational condition of information system and business applications;
- ◆ the first phase of the renovation of landing runway 4 in Paris-Orly;

- ◆ preparatory work for the renovation of landing runway 2 and its compliance with the standards of the European Aviation Safety Agency (EASA) on Paris-Orly;
- ◆ transfer of ownership of the pipelines formerly operated by "Société de Manutention de Carburants Aviation" (SMCA), in Paris-Charles de Gaulle;
- ◆ preparatory work for the construction of the junction between the terminals South and West of Paris-Orly.

The borrowing costs capitalised at 31 December 2016 pursuant to IAS 23 revised amounted to €2 million, based on an average capitalization rate of 2.79%.

### 6.3 Investment property

Investment property is the real estate (land, building, real estate or part of one of these elements) held (in full ownership or under a finance lease) for leasing to third parties and / or looking for a capital gain.

In contrast, the buildings occupied by Aéroports de Paris for its own needs (head offices, administrative buildings or operating buildings) are not investment properties but operating properties on the balance sheet under tangible assets.

Vacant buildings not intended to be used by Aéroports de Paris for its own use are wholly considered as investment property.

Mixed-use buildings that meet the definition of investment properties for more than half of their surface area are retained in their entirety.

Investment properties thus appear on a specific line of the balance sheet and, in accordance with the option offered by IAS 40, are valued by the historical cost method, namely at their cost less accumulated depreciation and amortization accumulated impairment losses.

Straight-line depreciation is applied to the property concerned on the basis of 20 to 50 years of life.

The fair value of investment property, the amount of which is disclosed below, is based on a value appraised by independent real estate appraisal firms for 97% of its whole value (excluding land reserves).

All the buildings not used for the own use of Aéroports de Paris have been appraised on the Paris-Orly and Paris-Charles de Gaulle platforms; more than 90% of those of Paris-Le Bourget have also been valued by independent experts.

The leased properties were valorised on the basis of a mixed approach based on external valuations for more than 94% of the land. The 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.

The valuation of land reserves was assessed internally. It results from the product of their theoretical market value per square meter by the area in square meters available, to which is applied a discount corresponding to the cost of the non-transferability of the land and the cost of carrying. The discount rate applied to cash flows is the cost of capital of comparable companies with diversified real estate activity.



### 6.3.1 Analysis of investment property

Investment property is detailed as follows:

<i>(in millions of euros)</i>	Land, improvements of land and substructure	Buildings	Fixed assets in progress, related advances & prepayments	Total
Gross value	123	743	53	919
Accumulated amortisation & depreciation	(55)	(361)	-	(416)
<b>Carrying amount as at Jan 1, 2016</b>	<b>68</b>	<b>382</b>	<b>53</b>	<b>503</b>
Purchases and change in advances and prepayments	-	-	6	6
Depreciation and Amortisation	(2)	(22)	-	(24)
Transfers to and from other headings	(2)	(6)	22	14
<b>Carrying amount as at December 31, 2016</b>	<b>64</b>	<b>354</b>	<b>81</b>	<b>499</b>
Gross value	117	725	81	923
Accumulated amortisation & depreciation	(53)	(370)	-	(423)

### 6.3.2 Fair value of investment property

The fair value of investment property, which stood at € 2,349 million as at 31 December 2016, compared to € 2,238 million at December 31, 2015, represents a growth of around 5%.

The rate of coverage of external appraisals for the valuation of buildings and land leased to third parties amounts to 97% of their value. These appraisals were managed by a group of independent property experts composed of the following firms:

- CBRE Valuation;
- Jones Lang LaSalle Expertise;
- BNP Paribas Real Estate Valuation France;
- Crédit Foncier Expertises.

The valuation of land reserves was assessed internally. This is also the case for a few ground leases to third parties that had not yet been assessed; these are mainly located at Paris-Le Bourget.

The valuation of buildings not used for Aéroports de Paris' own requirements, including their right of way, amounted to €1,030 million, an increase of €93 million compared to 2015.

This increase is mainly due to lower rates on the most liquid assets, the appraisal of the principal buildings not valued by third parties in Paris-Le Bourget, a building in a freight zone in Paris-Orly and the readjustment of the demolition plan.

Overall, areas with more liquidity (standard products with high occupation rates and long committed terms) increased due to rate cuts. However, areas being restructured, or due to be restructured, are losing value as a result of upgrades, decreases in rents or the demolition of existing buildings.

The fair value of leased land amounts to €1,176 million, an increase of 2.2%. This increase is mainly due to the further development of the logistics and business activity areas at Paris-Orly, as well as strong hotel development with six projects underway at the Paris-Charles de Gaulle and Paris-Orly airport platforms.

The value of land reserves decreased slightly from €151 million to €146 million, reflecting an increase in the discount rate from 5.56% to 5.93% and a different scope (land consumption for development projects partially offset by the return of land in reserve).



## Financial information on the assets, financial position and consolidated financial statements

### Groupe ADP Consolidated Financial Statements and notes as of December 31, 2016

External valuations made appear the main immediate returns on investments properties presented below:

<i>(in millions of euros)</i>	As at Dec 31, 2016	As at Dec 31, 2015	Rate of immediate return
<b>Buildings</b>			
Offices Paris-Charles de Gaulle	332	302	6,5% - 9,0%
Cargo Paris-Charles de Gaulle	358	320	8,0% - 10,0%
Hangars Paris-Charles de Gaulle	86	80	9,0% - 13,0%
Hangars/freight Paris-Orly	117	110	10,0% - 20,0%
Activity Paris-Orly and Charles de Gaulle	27	62	7,0% - 12,0%
Paris-Le Bourget	110	63	7,0% - 13,0%
<b>Total of external rented buildings</b>	<b>1,030</b>	<b>937</b>	
<b>Ground leases</b>			
Offices Paris-Charles de Gaulle	86	80	6,0% - 7,5%
Cargo Paris-Charles de Gaulle	322	320	6,0% - 8,0%
Hangars Paris-Charles de Gaulle	115	120	8,0% - 10,0%
Hotels/shops Paris-Orly and Charles de Gaulle	262	220	4,0% - 6,5%
Hangars/freight Paris-Orly	55	45	13,0% - 16,0%
Logistic/activity Paris-Orly and Charles de Gaulle	225	225	6,0% - 9,0%
Paris-Le Bourget and AAG	111	140	5,0% - 8,0%
<b>Total of external ground leases</b>	<b>1,176</b>	<b>1,150</b>	

### 6.3.3 Complementary informations

Under the law promulgated on 20 April 2005 which provides that in the event of a partial or total closure of one of the aerodromes operated by Groupe ADP, a percentage of at least 70% of the difference existing between, firstly, the market value at that date of the buildings situated within the enclosure of that aerodrome that are no longer used for the airport public service and secondly, the value of those buildings on the date on which they were allocated to the

airport plus the associated costs Their rehabilitation and the closure of airport facilities is paid to the State. This applies in particular to general aviation aerodromes.

In addition, rental income from investment property amounts to €185 million in 2016. The rebilled charges represent 11% of the external rents invoiced in 2016.

## NOTE 7 Equity and Earnings per share

### 7.1 Equity

Equity break down as follows:

<i>(in millions of euros)</i>	Share capital	Share premium	Treasury shares	Retained earnings	Other equity items	Group share	Non-controlling interests	Total
<b>As at Dec 31, 2016</b>	297	543	(12)	3,541	(85)	4,284	7	4,291

#### 7.1.1 Share capital

Aéroports de Paris SA<sup>1</sup> aggregate share capital amounts to €296,881,806 divided into 98,960,602 fully paid shares of €3 each, which were not the subject of any change during the financial year 2016.



The share capital is accompanied by a share premium of 542,747 thousands of euros pertaining to the issuance of shares in 2006.

### 7.1.2 Treasury shares

Treasury shares held by the Group are booked as a deduction from equity at their cost of acquisition. Any gains or losses connected with the purchase, sale or cancellation of treasury shares are recognised directly in equity without affecting the income statement.

In the context of employee share ownership Plan adopted in 2015, Aéroports de Paris SA sold 286,999 shares over the period relating to the share purchase offer component of the plan. As regards the allocation of bonus shares, free shares were allotted to all employees of Aéroports de Paris SA and subsidiaries affiliated to the group savings plan at the rate of 12 Shares per employee representing a total of 114,631 shares. In addition, as part of its liquidity contract and in accordance with the authorization given by the shareholders at the ordinary general meeting of May 3, 2016, during the period, the company repurchased 265,452 shares and sold 265,952.

Thus, the number of treasury shares that was 500 as at December 31, 2015 is 0 on December 31, 2016 under this contract.

### 7.1.3 Other equity items

Other equity items break down as follows:

<i>(in millions of euros)</i>	As at Jan 1, 2015	Comprehensive income - 2015	As at Dec 31, 2015	Comprehensive income - 2016	As at Dec 31, 2016
Translation adjustments	1	2	3	1	4
Actuarial gain/(loss)*	(100)	16	(84)	(10)	(94)
Fair value reserve	(1)	1	-	5	5
<b>Total</b>	<b>(100)</b>	<b>19</b>	<b>(81)</b>	<b>(4)</b>	<b>(85)</b>

\* Cumulative losses on variances

### 7.1.4 Retained earnings

Retained earnings may be analysed as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2016	As at Dec 31, 2015
Reserves of parent company Aéroports de Paris:		
Legal reserve	30	30
Other reserves	863	863
Retained earnings	987	848
Consolidated reserves	1,226	1,219
Net income for the period attributable to the owners of the parent company	435	430
<b>Total</b>	<b>3,541</b>	<b>3,390</b>

### 7.1.5 Dividends paid

Dividends paid amounted to:

- ◆ €258 million in 2016 (including €69 million of deposit in 2015), i.e. €2.61 per share, in compliance with Resolution 3 of the May 3, 2016 Ordinary General Meeting of Shareholders;

- ◆ €241 million in 2015, i.e. €2.44 per share, in compliance with Resolution 3 of the May 18, 2015 Ordinary General Meeting of Shareholders.



### 7.1.6 Proposed dividends

The dividend amount proposed prior to the publication of the financial statements and not booked within the 2016 accounts under distribution to equity holders, stood at €261 million, *i.e.* €2.64 per share.

The Board of Directors of the Group authorized the payment of an interim dividend until the financial year ending on December 31, 2020. For the 2016 financial year, this interim dividend represents an amount of €69 million, or an amount

per share of € 0.70. The dividend payment of the interim dividend was made on December 7, 2016 and payment of the interim dividend for 2016 was made on December 9, 2016.

The 2nd amending budget law for 2012 established in France an additional contribution to the corporate tax of 3% based on income distributed. The amount of additional corporate income tax associated with the distribution is €8 million.

### 7.1.7 Earnings per share

The calculation of earnings per share is as follows at the closing date:

	2016	2015
Weighted average number of outstanding shares (without own shares)	98,932,700	98,959,402
Net profit of continuing activities attributable to owners of the parent company (in million euros)	435	430
<b>Basic earnings per share (in €)</b>	<b>4.40</b>	<b>4.35</b>
<b>Diluted earnings per share (in €)</b>	<b>4.40</b>	<b>4.35</b>
Net income attributable to owners of the parent company (in million euros)	435	430
<b>Basic earnings per share (in €)</b>	<b>4.40</b>	<b>4.35</b>
<b>Diluted earnings per share (in €)</b>	<b>4.40</b>	<b>4.35</b>

Basic earnings per share correspond to the income attributable to holders of equity in the parent company.

The weighted average number of shares corresponds to the number of shares making up the share capital of the parent

company, less the average self-owned shares held during the period, that is to say 1,200 as on December 31, 2015 and 25,902 as on December 31, 2016.

There are no diluting equity instruments.

## NOTE 8 Other provisions and other non-current liabilities

### 8.1 Other provisions

Other provisions set up by Groupe ADP concern essentially commercial and social litigation, as well as country, tax and environmental risks. A provision is recognized as soon as a liability of uncertain timing or amount occurs.

A provision is recognized when the three following conditions are satisfied:

- the Group has a present legal or constructive obligation resulting from a past event;
- it is probable that future outflows of resources embodying economic benefits will be necessary to settle the obligation; and
- the amount of the obligation can be estimated reliably.



Other provisions evolved as follows:

<i>(in millions of euros)</i>	Litigation and claims	Other provisions	2016	Litigation and claims	Other provisions	2015
<b>Provisions as at 1 January</b>	19	64	83	16	74	90
<b>Increases</b>	1	20	21	5	21	26
Additions	1	20	21	5	12	17
Other changes	-	-	-	-	9	9
<b>Decreases</b>	(5)	(30)	(35)	(2)	(31)	(33)
Provisions used	(1)	(15)	(16)	-	(21)	(21)
Provisions reversed	(4)	(15)	(19)	(2)	(10)	(12)
<b>Provisions at closing</b>	15	54	69	19	64	83
Of which						
Non-current portion	15	31	46	19	34	53
Current portion	-	23	23	-	30	30

Following the implementing of a Voluntary Departure Plan in 2013 and in accordance with the IAS 19 and IAS 37 accounting standards, a provision was recognised at the end of 2015 for €43 million. The provision related to the Voluntary Departure Plan was subject to a reversal of provision of €7 million, carrying its balance at €3 million as of December 31, 2016.

Provisions for disputes relate to various supplier, employee and commercial issues.

Other provisions include in particular provisions for customer and supplier risks.

Information on contingent liabilities is disclosed in note 16.

## 8.2 Other non-current liabilities

Items presented as other non-current liabilities include:

- Investment subsidies. In compliance with the option offered by IAS 20, these subsidies are recorded as liabilities and are transferred to the income statement as the associated assets are amortised;
- Revenues from contracts accounted as deferred income;
- Debt related to the minority put option.

In compliance with IAS 32, this debt is initially measured at the present value of the option exercise price. The counterpart of this debt is a decrease in the carrying value of the minority 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 Dec 31, 2016	As at Dec 31, 2015
Investment grants	43	42
Debt related to the minority put option	11	11
Deferred income	71	64
<b>Total</b>	<b>125</b>	<b>117</b>



The debt related to the minority put option concerns Ville Aéroportuaire Immobilier 1 which option exercise date will be at the end of 2023.

Deferred income over a year consists mainly in:

- ◆ the rent to Air France of terminal T2G, i.e. €28 million as of December 31, 2016 (€31 million as of December 31, 2015);
- ◆ leasing construction of SCI Aéroville, i.e. €26 million as of December 31, 2016 (€23 million as of December 31, 2015);

## NOTE 9 Financing

### 9.1 Management of financial risk

#### 9.1.1 Introduction

In addition to derivative instruments, the Group's main financial liabilities consist of bank loans and overdrafts, bonds, rental financing debts, supplier debts and rental contracts. The main objective of these financial liabilities is to finance the Group's operating activities. The Group has other financial assets such as customer debts, cash and short-term deposits that are generated directly by its activities.

The Group also holds derivative instruments, mainly interest rate swaps. The objective of these instruments is the management of interest rate risks linked to the financing of the Group.

The main risks linked to the Group's financial instruments are:

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

This note presents information on the exposure of the Group to each of the above risks, its objectives, its risk measurement and management policy and procedures, and its capital management. Quantitative information appears elsewhere within the consolidated financial statements.

It is the task of the risk and audit committee to define and supervise the scope of the Group's risk management. The objective of the Group's risk management policy is to identify and analyse the risks that the Group must face, define the limits within which the risks should fall and the controls to be implemented, manage the risks and ensure compliance with the limits defined. The risk management policy and systems are regularly reviewed in order to take account of changes in market conditions and the Group's activities. Through its training and management rules and procedures, the Group aims to develop a rigorous and constructive control environment, within which all personnel have a good understanding of their roles and obligations.

The Group's audit committee has responsibility for carrying out an examination, together with senior management, of the main risks faced by the Group, and examining the risk control policy in all areas. In addition, the Internal Audit Department carries out reviews of the risk management controls and

procedures, the results of which are communicated to the audit committee.

#### Customers and other debtors

The Group policy is to place under legal supervision and to check the financial health of all its customers (either new or not). Except for the contracts signed with the State and its fully owned subsidiaries, leases agreed between the Group and its customers include warranty clauses (deposit cheque, bank guarantee, first demand bank guarantee, etc.). Moreover, receivables are continuously monitored. Therefore, Group exposure to bad debt is meaningless.

The Group exposure to credit risk is principally affected by the individual characteristics of each customer. Around 25 % of the Group revenue is related to services sold to its main customer.

Quantitative details regarding trade receivables and anteriority or current receivables are set out in paragraph 4.5.

The Group determines a level of write-down that represents its estimate of losses incurred in relation to customer debts and other debtors, as well as investment.

#### Investments

With regard to credit risk relating to the Group's other financial assets (cash, cash equivalents, financial assets available for sale and certain derivative instruments), Aéroports de Paris SA invests its surplus cash via short term Euro money market funds. The counter-party risk linked to these investments is considered to be marginal. For derivative instruments, the Group's exposure is linked to possible default on the part of third parties involved, mainly first rank financial institutions. The maximum exposure is equal to the book value of these instruments.

#### Guarantees

Guarantees are accorded by the Group to the correct execution of international contracts (cf note 15).

#### 9.1.2 Market risk

Market risk corresponds to the risk that market price variations, such as exchange rates, interest rates and equity instrument prices, may affect the Group's results or the value of financial instruments held. The objective of the management of market risk is to manage and control exposure to market risk within



acceptable limits, while optimising the profitability/risk ratio. Analyses of sensitivity to rate risk and to exchange risk are presented in paragraph 9.5.3.

## 9.2 Capital management

The Group's policy is to maintain a solid capital basis in order to preserve the confidence of investors, creditors and the market and to support the future growth of its businesses.

The gearing ratio fell from 64% in 2015 to 63% in 2016.

The Group did not alter its capital management policy over the course of the year.

The Group occasionally buys its own shares on the open market to ensure the liquidity of its shares. The frequency of such purchases depends on market prices.

The Board of Directors monitors the level of dividends paid to holders of ordinary shares.

Employees currently hold 1.87% of ordinary shares.

Neither the parent company nor its subsidiaries are subject to any specific requirements under external regulations.

## 9.3 Net financial income

Net financial income include interest payable on borrowings, calculated using the effective interest rate method, interest receivable on investments, interests on the employee benefit liability relating to defined benefit plans and gains and losses on foreign exchange and on hedging instruments which are recognized in the income statement.

The analysis of net financial income is as follows respectively for 2016 and 2015:

<i>(in millions of euros)</i>	Financial income	Financial expenses	Financial income 2016
Gross interest expenses on debt	-	(113)	(113)
Net income (expense) on derivatives	16	(10)	6
<b>Cost of gross debt</b>	<b>16</b>	<b>(123)</b>	<b>(107)</b>
Income from cash and cash equivalents	2	-	2
<b>Cost of net debt</b>	<b>18</b>	<b>(123)</b>	<b>(105)</b>
Net foreign exchange gains (losses)	5	(8)	(3)
Impairment and provisions	1	(8)	(7)
Other	1	(2)	(1)
<b>Other financial income and expenses</b>	<b>8</b>	<b>(18)</b>	<b>(10)</b>
<b>Net financial income</b>	<b>26</b>	<b>(141)</b>	<b>(115)</b>

<i>(in millions of euros)</i>	Financial income	Financial expenses	Financial income 2015
Gross interest expenses on debt	-	(116)	(116)
Net income (expense) on derivatives	21	(15)	6
<b>Cost of gross debt</b>	<b>21</b>	<b>(131)</b>	<b>(110)</b>
Income from cash and cash equivalents	2	-	2
<b>Cost of net debt</b>	<b>23</b>	<b>(131)</b>	<b>(108)</b>
Net foreign exchange gains (losses)	15	(11)	4
Impairment and provisions	4	(10)	(6)
Other	5	(1)	4
<b>Other financial income and expenses</b>	<b>24</b>	<b>(22)</b>	<b>2</b>
<b>Net financial income</b>	<b>47</b>	<b>(153)</b>	<b>(106)</b>





## Financial information on the assets, financial position and consolidated financial statements

### Groupe ADP Consolidated Financial Statements and notes as of December 31, 2016

Gains and losses by category of financial instruments are as follows:

<i>(in millions of euros)</i>	2016	2015
<b>Income, expenses, profits and loss on debt at amortised cost</b>	<b>(107)</b>	<b>(110)</b>
Interest charges on debt at amortised cost	(113)	(116)
Net interest on derivative instruments held as cash-flow hedges	-	-
Net interest on derivative instruments held as fair value hedges	4	3
Change in value of fair value hedging instruments	(3)	17
Change in value of hedged items	5	(14)
<b>Gains and losses of financial instruments recognized at fair value in the income statement</b>	<b>1</b>	<b>3</b>
Gains on cash equivalents (fair value option)	1	3
<b>Profits and losses on assets held for sale</b>	<b>1</b>	<b>3</b>
Gains (losses) on disposal	(1)	-
Net allowances to provisions	2	3
<b>Other profits and losses on loans, credits and debts and amortised cost</b>	<b>(1)</b>	<b>7</b>
Net foreign exchange gains (losses)	(1)	4
Other net profit	-	3
<b>Financial allowances to provisions for employee benefit obligations</b>	<b>(9)</b>	<b>(9)</b>
Financial allowances to provisions for employee benefit obligations	(9)	(9)
<b>Total net gains (net losses) recognized in the income statement</b>	<b>(115)</b>	<b>(106)</b>
<b>Total net gains (net losses) recognized directly in equity</b>	<b>-</b>	<b>-</b>

#### 9.4 Financial debt

Bond issues and other interest-bearing liabilities are initially recognized at their fair value, which corresponds to the amount received, less attributable transaction costs, such as issue premiums and expenses. Subsequently, the debt is recognized according to the method of the amortised cost using the effective interest rate of the instrument.

The effective rate corresponds to the rate that enables to obtain the booked value of a bond at its initial date, when discounting future cash flows related to the instrument.

Similarly, trade payables are recognized at their fair value at the date of their initial recognition. They are subsequently recognized at the amortised cost.

Financial debts with maturities greater than one year are recognized as non-current debt. Financial debts due for repayment within less than one year are recognized as current debt.



### 9.4.1 Details of loans and financial debt

Loans and financial debt at the closing date may be analysed in this way:

<i>(in millions of euros)</i>	As at Dec 31, 2016	Non-current portion	Current portion	As at Dec 31, 2015	Non-current portion	Current portion
Bonds	3,868	3,679	189	3,869	3,869	-
Bank loans	517	517	-	517	517	-
Other loans and assimilated debt	28	25	3	25	23	2
<b>Debt (excluding accrued interests and derivatives)</b>	<b>4,413</b>	<b>4,221</b>	<b>192</b>	<b>4,411</b>	<b>4,409</b>	<b>2</b>
Accrued interest	71	-	71	71	-	71
Derivative financial instruments (liabilities)	20	18	2	19	17	2
<b>Total debt</b>	<b>4,504</b>	<b>4,239</b>	<b>265</b>	<b>4,501</b>	<b>4,426</b>	<b>75</b>

### 9.4.2 Net financial debt

Net financial debt as defined by Groupe ADP corresponds to the amounts appearing on the liabilities of the balance sheet under the items non-current loans and debts, and current loans and debts, debt related to the minority put option, reduced by derivative financial instruments in an asset position, receivables and current accounts from associates and cash and cash equivalents.

This net financial debt appears as follows at the closing date:

<i>(in millions of euros)</i>	As at Dec 31, 2016	Non-current portion	Current portion	As at Dec 31, 2015*	Non-current portion	Current portion
<b>Debt</b>	<b>4,504</b>	<b>4,239</b>	<b>265</b>	<b>4,501</b>	<b>4,426</b>	<b>75</b>
Derivative financial instruments (assets)	91	31	60	96	88	8
Receivables and current accounts from associates	58	10	48	55	8	47
Cash and cash equivalents	1,657	-	1,657	1,734	-	1,734
Debt related to the minority put option	(11)	(11)	-	(11)	(11)	-
<b>Net financial debt</b>	<b>2,709</b>	<b>4,209</b>	<b>(1,500)</b>	<b>2,627</b>	<b>4,341</b>	<b>(1,714)</b>
<b>Gearing</b>	<b>63%</b>			<b>64%</b>		

\* Restated figures as described in Note 4.1 and restated in 2015 in order to take into account the debt related to the minority put option which is now integrated for the calculation of the net financial debt



### 9.4.3 Details of bonds and bank loans

Details of bonds and bank loans may be analysed in the following way:

(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 31/12/2016	Fair value as at 31/12/2016
<b>Bonds:</b>							
ADP CHF 200 M 2010-2017	186	2.5%	Eur 3M + margin	186	3	189	187
ADP 2012-2019	300	2.375%	2.476%	299	-	299	318
ADP 2010-2020	500	3.886%	3.95%	491	-	491	567
ADP 2011-2021	400	4.0%	4.064%	399	12	411	474
ADP 2011-2022	400	3.875%	3.985%	398	-	398	478
ADP 2015-2023	500	1.50%	1.524%	498	-	498	540
ADP 2012-2024	500	3.125%	3.252%	496	-	496	602
ADP 2014-2025	500	1.50%	1.609%	493	-	493	542
ADP 2013-2028	600	2.75%	2.846%	593	-	593	731
<b>Total</b>	<b>3,886</b>			<b>3,853</b>	<b>15</b>	<b>3,868</b>	<b>4,439</b>
<b>Bank loans:</b>							
BEI 2003-2018	100	Eur 3M + margin	Eur 3M + margin	100	-	100	100
BEI 2004-2019	220	Eur 3M + margin	Eur 3M + margin	220	-	220	221
BEI 2004-2020	30	Eur 3M + margin	Eur 3M + margin	30	-	30	30
BEI 2005-2020	130	Eur 3M + margin	Eur 3M + margin	130	-	130	131
Other	37	-	-	37	-	37	42
<b>Total</b>	<b>517</b>			<b>517</b>	<b>-</b>	<b>517</b>	<b>524</b>

The fair value (M-to-M) is a value calculated by discounting future cash flows excluding accrued interest. This value does not include the Aéroports de Paris SA credit spread.

## 9.5 Financial instruments

### Derivative financial instruments

As part of its interest rate risk on mid and long-term liabilities managing policy, the Group uses derivative financial instruments. These consist of interest rate swaps and cross-currency swaps matched with bond issues and bank loans.

Interest rate swaps are initially and subsequently valued in the balance sheet at their fair value through the income statement. Changes in the fair value of derivative instruments are recognized through the income statement, with the exception of particular cases in respect of hedge accounting set out below.

Where a financial instrument can be qualified for hedge accounting, it is valued and accounted for in accordance with hedge accounting criteria contained in IAS 39:

- if the derivative is designated as a cash flow hedge, changes in the value of the effective part of the derivative are recorded in other elements of the comprehensive income statement and are presented in fair value reserves within equity capital. They are taken to the income statement when the hedged item is itself recognized in the income statement. Conversely, the ineffective part of the derivative is recognized directly in the income statement. Where the hedged transaction is a future debt issue, the reclassification to the income statement is carried out over the term of the debt issue, once the issue has taken place. When the forecasted transaction leads to the recognition of a non-financial asset or liability, the cumulative changes in the fair value of a hedging instrument formerly recognized through shareholders' equity are included in the initial valuation of the asset or liability in question;



- if the derivative instrument is designated as a fair value hedge, changes in the value of the instrument and of the hedged item are recognized in the income statement in the same period;
- a hedge of a net investment in a foreign entity receives the same accounting treatment as a cash flow hedge. Changes in the fair value of the hedging instrument are recognized in equity, for the effective part of the hedging relationship, whereas changes in connection with the ineffective part of the hedge are recognized in net finance costs. When the investment in the foreign entity is sold, all changes in the fair value of the hedging instrument previously recognized through equity are transferred to the income statement.

Hedge accounting is applicable if the hedging relationship is clearly defined and documented when it is set up and if the effectiveness of the hedging relationship is demonstrated prospectively and retrospectively at the initial date and at each subsequent closing period.

Derivatives are entered on the assets side of the balance sheet under "Other current financial assets" or on the liabilities side under "Current debt". Such derivatives can be cancelled at any time by paying or receiving a cash amount corresponding to their fair value.

#### **Fair value of financial instruments**

- Measuring method of fair value

The best criterion for measuring the fair value of a contract is the price agreed upon between a buyer and seller operating on a free market under market conditions. At the date of the agreement, this is generally the transaction price. Subsequently, the value of the contract must be based on observable market data which constitute the most reliable indication of fair value for financial instruments:

- Updated future cash flows for bonds and bank loans;
- quoted prices on an organized market for non-consolidated listed investments;
- market value for interest rate and foreign exchange instruments, valued using discounting of differential future cash flows or on the basis of quoted prices issued by third party financial institutions.

The fair value for forward contracts to sell foreign currencies corresponds to the difference between the currency amounts converted at the contractually fixed rates for each maturity and the currency amounts converted at the forward rate for the same maturities.

The fair value of a financial instrument reflects the effect of non-performance risk: the counterparty credit risk (Credit Valuation Adjustment – CVA) and the own credit risk of Aéroports de Paris SA (Debit Valuation Adjustment – DVA). For derivatives, the Group has elected to determine the CVA using a mixed model including market data (use of counterparty's spreads CDS) and historical statistic data.



### 9.5.1 Categories of financial assets and liabilities

	As at Dec 31, 2016	Breakdown by category of financial instrument						
		Fair value		Availabl e-for- sale financial assets	Loans and receivables	Debt at amortised cost	Hedging derivatives	
		Fair value option**	Trading ***				Fair value hedge	Cash flow hedge
<i>(in millions of euros)</i>								
Other non-current financial assets	125	-	31	19	75	-	-	-
Trade receivables	548	-	-	-	548	-	-	-
Other receivables****	41	-	-	-	41	-	-	-
Other current financial assets	129	-	4	-	69	-	56	-
Cash and cash equivalents	1,657	1,657	-	-	-	-	-	-
<b>Total financial assets</b>	<b>2,500</b>	<b>1,657</b>	<b>35</b>	<b>19</b>	<b>733</b>	<b>-</b>	<b>56</b>	<b>-</b>
Non-current debt	4,239	-	18	-	-	4,221	-	-
Trade payables	472	-	-	-	-	472	-	-
Other debts****	169	-	-	-	-	169	-	-
Current debt	265	-	2	-	-	263	-	-
<b>Total financial liabilities</b>	<b>5,145</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>5,125</b>	<b>-</b>	<b>-</b>

	As at Dec 31, 2015*	Breakdown by category of financial instrument						
		Fair value		Availabl e-for- sale financial assets	Loans and receivables	Debt at amortised cost	Hedging derivatives	
		Fair value option**	Trading ***				Fair value hedge	Cash flow hedge
<i>(in millions of euros)</i>								
Other non-current financial assets	179	-	33	17	74	-	55	-
Trade receivables	516	-	-	-	516	-	-	-
Other receivables****	53	-	-	-	53	-	-	-
Other current financial assets	67	-	4	-	59	-	4	-
Cash and cash equivalents	1,734	1,734	-	-	-	-	-	-
<b>Total financial assets</b>	<b>2,549</b>	<b>1,734</b>	<b>37</b>	<b>17</b>	<b>702</b>	<b>-</b>	<b>59</b>	<b>-</b>
Non-current debt	4,426	-	17	-	-	4,409	-	-
Trade payables	457	-	-	-	-	457	-	-
Other debts****	174	-	-	-	-	174	-	-
Current debt	75	-	2	-	-	73	-	-
<b>Total financial liabilities</b>	<b>5,132</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>5,113</b>	<b>-</b>	<b>-</b>

\* Restated figures as described in Note 4.1

\*\* Identified as such at the outset

\*\*\* Classified as held for trading purposes

\*\*\*\* Other receivables and other debts exclude all accounts which do not constitute, within the terms of IAS 32, contractual rights and obligations, such as tax and social security debts or receivables.

The fair value of assets and liabilities generally proves to be very close to their value on the balance sheet, with their book values corresponding almost systematically to a reasonable approximation of this fair value.

In the scope of the determination of fair value of derivatives, the credit valuation adjustment (CVA) was computed as of December 31, 2016 audits impact was assessed as non-significant.



## 9.5.2 Fair value hierarchy

### Fair value hierarchy

IFRS 13, "Fair Value Measurement", establishes a fair value hierarchy and distinguishes three levels:

- level 1: fair value based on quoted prices for the same instrument in an active market (without modification or repackaging). This level mainly applies to marketable securities whose prices are reported by the French Financial Markets Authority (Autorité des Marchés Financiers);
- level 2: fair value based on quoted prices for similar assets or liabilities and valuation techniques whose major data are based on observable market data. This level mainly applies to derivative instruments whose values are provided by Bloomberg;
- level 3: fair value based on valuation techniques whose major data are not all based on observable market data. Currently, this level does not apply within the Group.

The fair value hierarchy for financial instruments in 2015 and 2016 is as follows:

	As at Dec 31, 2016		Level 1 Quoted prices in active markets	Level 2 Prices base on observable data	Level 3 Prices base on non- observable data
	Book value	Fair value			
<i>(in millions of euros)</i>					
<b>Assets</b>					
Available-for-sale financial assets	19	19	-	19	-
Loans and receivables excluding finance leases receivables	120	120	-	120	-
Derivatives	91	91	-	91	-
Cash and cash equivalents	1,657	1,657	1,657	-	-
<b>Liabilities</b>					
Bonds	3,868	4,439	-	4,439	-
Bank loans	517	524	-	524	-
Other loans and assimilated debt	28	28	-	28	-
Interest on loans	71	71	-	71	-
Derivatives	20	20	-	20	-



## Financial information on the assets, financial position and consolidated financial statements

### Groupe ADP Consolidated Financial Statements and notes as of December 31, 2016

(in millions of euros)	As at Dec 31, 2015*		Level 1 Quoted prices in active markets	Level 2 Prices base on observable data	Level 3 Prices base on non- observable data
	Book value	Fair value			
<b>Assets</b>					
Available-for-sale financial assets	18	18	-	18	-
Loans and receivables excluding finance leases receivables	110	110	-	110	-
Derivatives	96	96	-	96	-
Cash and cash equivalents	1,734	1,734	1,734	-	-
<b>Liabilities</b>					
Bonds	3,869	4,416	-	4,416	-
Bank loans	517	525	-	525	-
Other loans and assimilated debt	25	26	-	26	-
Interest on loans	71	71	-	71	-
Derivatives	19	19	-	19	-

\* Restated figures as described in Note 4.1

### 9.5.3 Analysis of risks related to financial instruments

#### Rate risks

To supplement its available cash flow, the Group resorts to debt to finance its investment programme.

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

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

The Group's exposure to interest rate risk is essentially a result from its financial debt, and to a lesser extent its portfolio of rates derivatives.

The Group's policy consists of managing its interest charge by using a combination of fixed rate and variable rate loans. The Group's policy is that 50% to 100% of its debt should be at fixed rates. In line with this objective, the Group puts in place interest rate swaps through which it exchanges, at specific intervals, the difference between the amount of interest at fixed rates and the amount of interest at variable rates, calculated on a nominal loan amount agreed between the parties. These swaps are assigned to loan hedging.

The breakdown of financial debt at fixed and variable rate is as follows:

(in millions of euros)	As at Dec 31, 2016			As at Dec 31, 2015		
	Before hedging	After hedging	%	Before hedging	After hedging	%
Fixed rate	4,003	3,814	85%	4,000	3,808	85%
Variable rate	481	670	15%	482	674	15%
<b>Debt (excluding derivatives)</b>	<b>4,484</b>	<b>4,484</b>	<b>100%</b>	<b>4,482</b>	<b>4,482</b>	<b>100%</b>

Analysis of the sensitivity of fair value for fixed rate instruments: Aéroports de Paris SA is subject to the variability of future charges relating to variable rate debt. A variation in interest rates on the date of closure would have resulted in an

increase (decrease) in equity and income by the amounts indicated below. For the purposes of this analysis, all other variables, in particular exchange rates are assumed to remain constant.



## Financial information on the assets, financial position and consolidated financial statements

### Groupe ADP Consolidated Financial Statements and notes as of December 31, 2016

As of December 31, 2016, Aéroports de Paris SA holds rate and exchange-based derivative financial instruments (swaps and cross-currency swaps), with a fair value of €91 million,

appearing on the assets under other current financial assets, and €20 million appearing on the liabilities under financial debt.

The notional amounts of fair value hedging derivatives may be analysed as follows:

<i>(in thousands of euros)</i>	Maturity < 1 year	Maturity between 1 & 5 years	Maturity > 5 years	As at Dec 31, 2016	Fair value
Derivatives classified as fair value hedges	135	-	-	135	56
Derivatives classified as cash flow hedges	-	-	-	-	-
Derivatives not classified as hedges	-	400	-	400	15
<b>Total</b>	<b>135</b>	<b>400</b>	<b>-</b>	<b>535</b>	<b>71</b>

The portfolio of non-hedging derivatives is made up exclusively of return swaps with a fixed margin. This part of the derivatives portfolio is therefore not very sensitive to change

in interest rates. An immediate 1% decrease in interest rates on December 31, 2016 would not result in a material increase on the fair value of the derivatives.

### Exchange risk

In general terms, the Group has little exposure to currency risk. The currencies in which the transactions are essentially denominated are the euro and the USD, together with some Persian Gulf currencies linked to the American dollar at fixed parity, such as the Saudi riyal, the United Arab Emirates dirham and the Omani rial.

In order to reduce exposure to fluctuations in the value of the US dollar and in the values of currencies linked to it by a fixed exchange rate, the Group has a hedging policy consisting of:

- neutralising exchange rate risk as far as possible by reducing the balance of revenue and expense in these currencies;
- if necessary making partial forward sales of dollars for residual balances.

The breakdown of financial assets and liabilities by currency is as follows, once the effect of currency-swaps and rates backed by the bonds issued in Swiss francs is taken into account:

<i>(in millions of euros)</i>	As at Dec 31, 2016	Euro	USD	AED	JOD	Other currencies
Other non-current financial assets	125	93	27	-	1	4
Trade receivables	548	506	1	5	12	24
Other receivables*	41	41	-	-	-	-
Other current financial assets	129	129	-	-	-	-
Cash and cash equivalents	1,657	1,626	16	2	3	10
<b>Total financial assets</b>	<b>2,500</b>	<b>2,395</b>	<b>44</b>	<b>7</b>	<b>16</b>	<b>38</b>
Non-current debt	4,239	4,239	-	-	-	-
Trade payables	472	463	3	2	-	4
Other debts*	169	166	-	1	1	1
Current debt	265	265	-	-	-	-
<b>Total financial liabilities</b>	<b>5,145</b>	<b>5,133</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>5</b>

\* Other receivables and other debts exclude all accounts which do not constitute, within the terms of IAS 32, contractual rights and obligations, such as tax and social security debts or receivables.

Other currencies include primarily the Oman ryal (OMR).





## Financial information on the assets, financial position and consolidated financial statements

### Groupe ADP Consolidated Financial Statements and notes as of December 31, 2016

The exchange rates used for the conversion of the financial statements of foreign subsidiaries, joint ventures and associated are as follows:

	As at Dec 31, 2016		As at Dec 31, 2015*	
	Closing rate	Average rate	Closing rate	Average rate
United States Dollar (USD)	0.95648	0.90380	0.91617	0.90136
Mexican Peso (MXN)	0.04637	0.04844	0.05339	0.05694
Mexican Peso (MXN)*	0.04959	0.04889	0.05339	0.05694
Turkish Lira (TRY)	0.27223	0.29948	0.31531	0.33239
Jordanian Dinar (JOD)	1.35099	1.27540	1.29216	1.27168
Libyan Dinar (LYD)	0.66379	0.66111	0.65863	0.66098
Moroccan Dirham (MAD)	0.09414	0.09216	0.09266	0.09247
Moroccan Dirham (MAD)**	0.09227	0.09249	0.09266	0.09247
Croatian Kuna (HRK)	0.13243	0.13275	0.13067	0.13137
Chinese yuan (CNY)	0.13756	0.13608	0.14204	0.14349
Chilean peso (CLP)	0.00142	0.00134	0.00132	0.00138
Ariary (MGA)	0.00029	0.00028	0.00029	0.00029
Mauritian Rupee (MUR)	0.02661	0.02543	0.02536	0.02570

\*rate frozen at the end of october 2016 in the context of the disposal of the mexican company OMA

\*\*rate frozen at the end of february 2016 in the context of the disposal of the company Cires Telecom

### Liquidity risk

Liquidity risk corresponds to the risk that the Group may experience difficulties in honouring its debts when these become due.

The Group's liquidity risk must be assessed in relation to:

- its cash and potential cash credit lines unused;

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

- its existing financial commitments in terms of repayment (debt maturities, off balance sheet commitments, prepayment provisions);

The maturity schedule of financial liabilities are presented below. Off Balance Sheet commitments are presented in note 15.

The Group has entered into loan agreements with mandatory prepayment clauses:

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

- its ability to raise funds to finance investment projects.

The Group's euro-denominated bonds are listed on the Paris Stock Exchange.



## Financial information on the assets, financial position and consolidated financial statements

### Groupe ADP Consolidated Financial Statements and notes as of December 31, 2016

There is a provision in place with regard to bonds issued since 2008 that, in the case of a change of controlling interest in the Company and a rating below or equal to BBB- at the point of the change of controlling interest, each holder of a bond may request repayment or buy-back by the issuer of all or a proportion of the bonds that it holds at their nominal value.

The breakdown of the residual contractual maturities of financial liabilities is as follows:

	Balance sheet value 31/12/2016	Total contractual payments 31/12/2016	0 - 1 year	1 - 5 years	Over 5 years
<i>(in millions of euros)</i>					
Bonds	3,868	3,886	186	1,200	2,500
Bank loans	517	517	-	517	-
Security deposits received	16	16	-	1	15
Other loans and assimilated debt	11	11	-	6	5
Interest on loans	71	724	111	390	223
Bank overdrafts	1	1	1	-	-
<b>Debt (excluding derivatives)</b>	<b>4,484</b>	<b>5,155</b>	<b>298</b>	<b>2,114</b>	<b>2,743</b>
Trade payables	472	472	472	-	-
Other debts*	169	169	169	-	-
<b>Debt at amortised cost</b>	<b>5,125</b>	<b>5,796</b>	<b>939</b>	<b>2,114</b>	<b>2,743</b>
Outgoings	-	135	135	-	-
Receipts	-	(191)	(191)	-	-
<b>Hedging swaps</b>	<b>(56)</b>	<b>(56)</b>	<b>(56)</b>	-	-
Outgoings	-	31	6	25	-
Receipts	-	(46)	(9)	(37)	-
<b>Trading swaps</b>	<b>(15)</b>	<b>(15)</b>	<b>(3)</b>	<b>(12)</b>	-
<b>Total</b>	<b>5,054</b>	<b>5,725</b>	<b>880</b>	<b>2,102</b>	<b>2,743</b>

\* 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 information on the assets, financial position and consolidated financial statements

### Groupe ADP Consolidated Financial Statements and notes as of December 31, 2016

The maturity schedule of loans and receivables is as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2016	0 - 1 year	1 - 5 years	Over 5 years
Receivables and current accounts from associates	58	48	3	7
Other receivables and accrued interest related to investments	34	5	-	29
Loans and security deposits	10	3	4	3
Receivables, as lessor, in respect of finance leases	24	3	15	6
Receivables from asset disposals	4	4	-	-
Other financial assets	14	6	7	1
Trade receivables	548	546	2	-
Other receivables*	41	41	-	-
<b>Loans and receivables</b>	<b>733</b>	<b>656</b>	<b>31</b>	<b>46</b>

\* Other receivables exclude all accounts which do not constitute, within the terms of IAS 32, contractual rights, such as tax and social security receivables.

### Credit risk

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

The book value of financial assets represents the maximum exposure to credit risk. This maximum exposure to credit risk on the closing date is as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2016	As at Dec 31, 2015*
Available-for-sale financial assets	19	17
Financial assets recognized at fair value through the income statement	35	37
Loans and receivables less than one year	658	628
Loans and receivables more than one year	75	74
Cash and cash equivalents	1,657	1,734
Interest rate swaps held for hedging purposes	56	59
<b>Total</b>	<b>2,500</b>	<b>2,549</b>

\* Restated figures as described in Note 4.1



Maximum exposure to credit risk concerning receivables and loans on the closing date, broken down by customers, is as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2016	As at Dec 31, 2015*
Air France	121	117
Easy Jet	9	6
Federal Express Corporation	6	9
Other airlines	77	66
Subtotal airlines	213	203
Direction Générale de l'Aviation Civile	92	103
Société de Distribution Aéroportuaire	43	30
Other trade receivables	200	180
Other loans and receivables less than one year	110	112
<b>Total loans and receivables less than one year</b>	<b>658</b>	<b>628</b>

\* Restated figures as described in Note 4.1

The anteriority of current receivables is as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2016	
	Gross value	Net value
Outstanding receivables	568	567
Due receivables:		
from 1 to 30 days	9	9
from 31 to 90 days	49	49
from 91 to 180 days	16	16
from 181 to 360 days	11	8
more than 360 days	63	9
<b>Current loans and receivables (according to the schedule - see § Liquidity risks)</b>	<b>716</b>	<b>658</b>

The development of trade receivables is detailed in paragraph 4.5.

### Financial instruments compensation

Derivatives contracts of the Group may include a compensation right if specific events occur such as a change in control or a credit event.

However, these contracts do not include any comprehensive compensation agreement conferring a legally enforceable right to compensate the financial instruments, nor collateralization agreement.



## Financial information on the assets, financial position and consolidated financial statements

### Groupe ADP Consolidated Financial Statements and notes as of December 31, 2016

The following table presents the book value of the assets and liabilities derivatives and the impact of the compensation agreement mentioned above, as of December, 31 2016:

	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	
<i>(in millions of euros)</i>						
derivatives : interest rate swap	35	-	35	-	-	35
derivatives : currency swap	56	-	56	-	-	56
<b>Total financial assets - derivatives</b>	<b>91</b>	<b>-</b>	<b>91</b>	<b>-</b>	<b>-</b>	<b>91</b>
derivatives : interest rate swap	(20)	-	(20)	-	-	(20)
<b>Total financial liabilities - derivatives</b>	<b>(20)</b>	<b>-</b>	<b>(20)</b>	<b>-</b>	<b>-</b>	<b>(20)</b>

### 9.6 Other financial assets

The amounts appearing on the balance sheet as at December 31, 2016 and December 31, 2015 respectively are broken down as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2016	Non-current portion	Current portion
<b>Available-for-sale securities</b>	<b>19</b>	<b>19</b>	<b>-</b>
<b>Loans and receivables excluding finance leases receivables</b>	<b>120</b>	<b>54</b>	<b>66</b>
Receivables & current account from associates	58	10	48
Other receivables and accrued interest related to investments	34	28	6
Other financial assets	28	16	12
<b>Receivables, as lessor, in respect of finance leases</b>	<b>24</b>	<b>21</b>	<b>3</b>
<b>Derivative financial instruments</b>	<b>91</b>	<b>31</b>	<b>60</b>
Hedging swaps	56	-	56
Trading swaps	35	31	4
<b>Total</b>	<b>254</b>	<b>125</b>	<b>129</b>

<i>(in millions of euros)</i>	As at Dec 31, 2015	Non-current portion	Current portion
<b>Available-for-sale securities</b>	<b>18</b>	<b>18</b>	<b>-</b>
<b>Loans and receivables excluding finance leases receivables</b>	<b>110</b>	<b>55</b>	<b>55</b>
Receivables & current account from associates	55	8	47
Other receivables and accrued interest related to investments	28	26	2
Other financial assets	27	21	6
<b>Receivables, as lessor, in respect of finance leases</b>	<b>24</b>	<b>20</b>	<b>4</b>
<b>Derivative financial instruments</b>	<b>96</b>	<b>88</b>	<b>8</b>
Hedging swaps	59	55	4
Trading swaps	37	33	4
<b>Total</b>	<b>248</b>	<b>181</b>	<b>67</b>



## NOTE 10 Other operating incomes and expenses

Other operating incomes and expenses are significant and non-recurrent items at the level of the Group's consolidated performance.

This may involve the disposal of assets or activities, costs incurred related to a business combination, restructuring costs or costs related to a one-off operation.

Following the signing, in March 2015, of the deed of sale of its head office in Paris, on 1<sup>st</sup> July, the date of the transfer of ownership, the Group recognized a capital gain for the amount of €31 million (€20 million after income tax).

## NOTE 11 Share of profit or loss in associates and joint ventures from non-operating activities

In 2016, the share of profit or loss in associates and joint ventures from non-operating activities amounts to €59 million mainly due to the sale of the Group's equity interest in Mexican airport operator OMA (cf. note 2).

## NOTE 12 Income taxes

The income taxes covers domestic and foreign taxes which are based on taxable profits and taxes payable on dividends distributed by subsidiaries and associates and joint ventures. Groupe ADP considers that the Company value-added contribution (Cotisation sur la Valeur Ajoutée des Entreprises - CVAE) cannot be 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 sixteen French subsidiaries held, in which the parent company, directly or indirectly, holds over 95%: Ville Aéroportuaire Immobilier SAS (VAI), Aéroports de Paris Investissement, Hub One, Hub One Mobility, ADP Ingénierie, Aéroports de Paris Management, Cœur d'Orly Commerces Investissements SAS, Cœur d'Orly Investissements SAS, ADPM1, ADPM2, ADPM3, Roissy Continental Square, Hub Safe, Hub Safe Nantes, Hub Safe Training and Hub Safe Régional.

Deferred taxes are recognized for all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except for the cases specified in IAS 12, Income Taxes. Deferred taxes are calculated using the liability method, applying the last enacted income tax rates expected to be applicable when the temporary differences will be reversed. They are not discounted.

Deferred tax assets are recognized, when applicable, in respect of tax loss carryforward and unused tax credits. Generally speaking, deferred tax assets are not recognized except when it is probable that the taxable entity in question will have sufficient future taxable income against which the deductible temporary differences, tax loss carryforward or tax credits can be offset. Non-recognized deferred tax assets are 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.



Groupe ADP Consolidated Financial Statements and notes as of December 31, 2016

## 12.1 Tax rate

The current tax rate used as on December 31, 2016 amounts to 34.43%.

## 12.2 Analysis of the income tax expense

Within the income statement, the income tax expense is detailed as follows:

<i>(in millions of euros)</i>	2016	2015*
Current tax expense	(225)	(241)
Deferred tax expense	23	(17)
<b>Income tax expense</b>	<b>(202)</b>	<b>(258)</b>

\* Restated figures as described in Note 4.1

These amounts do not include income tax on profit/loss associates and joint ventures, the amounts that appear for these items on the appropriate line of the income statement being net of income tax.

## 12.3 Tax reconciliation

The reconciliation between the theoretical income tax based on the tax rate applicable in France and the effective income tax is as follows:

<i>(in millions of euros)</i>	2016	2015*
Net income after tax	438	433
Share of profit or loss from associates and joint ventures**	44	(55)
Income tax expense	202	258
<b>Income before tax and profit/loss of associates</b>	<b>684</b>	<b>636</b>
<i>Theoretical tax rate applicable in France</i>	34.43%	38.00%
<b>Theoretical tax expense</b>	<b>(236)</b>	<b>(242)</b>
Impact on theoretical tax of:		
Different rate on foreign taxable income and payment at source	5	(3)
Previously unrecognized tax loss carryforwards used in the period	-	1
Additional tax on dividends	(8)	(9)
Tax losses incurred in the period for which no deferred tax asset was recognized	(1)	(4)
Evolution of tax rates***	29	-
Changes in unrecognized temporary differences	-	1
Non-deductible expenses and non-taxable revenue	(13)	(10)
Exemption from the long-term capital gain resulting from the sale of SETA shares net of the reinstatement of the share of fees and expenses	18	-
Tax credits	4	8
<b>Effective tax expense</b>	<b>(202)</b>	<b>(258)</b>
<i>Effective tax rate</i>	29.44%	40.63%

\* Restated figures as described in Note 4.1

\*\* Excluding earnings and disposal costs reclassified in the income statement line of associates (income from the sale of SETA shares and expenses related to the proposed sale of TAV Construction).

\*\*\* Impact due to the reduction of the tax rate from 34.43% to 28.92% in France from 2020 voted in the budget law at the end of December 2016



## 12.4 Deferred tax assets and liabilities broken down by category

Deferred tax assets and liabilities are presented on the balance sheet as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2016	As at Dec 31, 2015
<b>In respect of deductible temporary differences</b>		
Employee benefit obligation	137	151
Amortisation of fees for the study and overseeing of works	15	19
Provisions and accrued liabilities	14	13
Other	3	3
<b>For taxable temporary differences</b>		
Accelerated tax depreciation and other regulated provisions	(342)	(382)
Finance leases	(7)	(11)
Revaluation reserves	(8)	(8)
Other	(10)	(14)
<b>Net deferred tax assets (liabilities)</b>	<b>(198)</b>	<b>(229)</b>

The amortisation of the Fees for the study and overseeing of work (FEST), which appears above within the category of deductible temporary differences, results from the spreading out of previously capitalised costs charged to retained earnings as of January 1, 2003 following accounting adjustments carried out up to that date ahead of the change of the status of the public corporation Aéroports de Paris into a public limited company, and within the framework of the first-time certification of its accounts for the financial year 2003.

Impact on retained earnings as of January 1, 2003 had related to a cost balance, un-amortised to date, of

€180 million. After taking into account the corresponding tax effect, that is to say €64 million, the net negative impact on retained earnings was €116 million.

In agreement with tax authorities, this correction resulted, starting from the fiscal year 2004, in tax treatment being spread over the initial amortisation period for these costs.

Within the consolidated financial statements in accordance with IFRS standards, this spread resulted, at the opening of the 2004 financial year, in the recording of deferred tax assets of €64 million. Taking into account the tax deductions applied since 2004 with regard to this spread, the residual amount for deferred tax assets was €15 million as of December 31, 2016.

## 12.5 Table of changes in deferred tax assets and liabilities

Deferred tax assets and liabilities evolved as follows between the beginning and the end of the period:

<i>(in millions of euros)</i>	Assets	Liabilities	Net amount
<b>As at Jan 1, 2016</b>	-	229	(229)
Amount recognized directly through equity on employee benefit obligations	-	(5)	5
Amounts recognized for the period	-	(26)	26
<b>As at Dec 31, 2016</b>	-	198	(198)





## 12.6 Current tax assets and liabilities

Current tax assets correspond to the amount to be recovered from the tax authorities. Current tax liabilities

correspond to the amounts remaining to be paid to these authorities.

These tax assets and liabilities appear as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2016	As at Dec 31, 2015
<b>Current tax assets</b>		
Aéroports de Paris SA and tax-consolidated companies	-	-
Other consolidated entities	-	-
<b>Total</b>	-	-
<b>Current tax liabilities</b>		
Aéroports de Paris SA and tax-consolidated companies	3	18
Other consolidated entities	5	5
<b>Total</b>	8	23

The Group has no knowledge of any contingent tax assets or liabilities as of December 31, 2016.

## NOTE 13 Cash and cash equivalents and Cash flows

### 13.1 Cash and cash equivalents

Cash and cash equivalents comprise current accounts at banks and short-term liquid investments subject to negligible risks of fluctuations of value. Cash equivalents consist essentially of monetary. Bank overdrafts are not included in cash and are reported under current financial liabilities. "Cash management financial assets" comprises units in UCITS, made with a short-term management objective, satisfying the IAS 7 criteria for recognition as cash.

Cash and cash equivalents break down as follows:

<i>(in millions of euros)</i>	As at Dec 31, 2016	As at Dec 31, 2015*
Marketable securities**	1,556	1,581
Cash**	101	153
Bank overdrafts***	(1)	(2)
<b>Cash and cash equivalents</b>	<b>1,656</b>	<b>1,732</b>

\* Restated figures as described in Note 4.1

\*\* Including €24 million of marketable securities and €1 million of cash dedicated to aid to local residents funding collected through the tax on airborne noise nuisances (TNSA).

\*\*\* Included in Current liabilities under debt

As part of its cash management, Groupe ADP has mainly invested in euro-denominated UCITS.

The Group's exposure to interest rate risk and an analysis of the sensitivity of financial assets and liabilities are detailed within paragraph 9.5

Cash and short-term cash equivalents for the Group (€ 4 million) include the bank accounts of certain subsidiaries for which repatriation conditions are complex in the short term for mainly regulatory reasons.



## 13.2 Cash flows

### 13.2.1 Cash flows from operating activities

- Income and expense with no impact on net cash

<i>(in millions of euros)</i>	2016	2015*
Depreciation, amortisation and impairment losses (excluding current assets)	471	426
Profit/loss of associates from operating activities	(52)	(58)
Net gains on disposals	(34)	(4)
Other	99	(5)
<b>Income and expense with no impact on net cash</b>	<b>484</b>	<b>359</b>

\* Restated figures as described in Note 4.1

Net gains on disposals is mainly due to the disposal of Aéroports de Paris SA headquarters in Paris (cf. note 10).

- Change in working capital

<i>(in millions of euros)</i>	2016	2015*
Inventories	(7)	(1)
Trade and other receivables	(53)	(10)
Trade and other payables	(17)	73
<b>Change in working capital</b>	<b>(77)</b>	<b>62</b>

\* Restated figures as described in Note 4.1

### 13.2.2 Cash flows from investing activities

- Acquisition of subsidiaries and associates (net of acquired cash)

<i>(in millions of euros)</i>	2016	2015*
Proceeds from sale of subsidiaries (net of cash sold) and associates	71	5
Acquisitions of subsidiaries and associates (net of cash acquired)	(1)	-
Acquisition of investments	(19)	(49)

\* Restated figures as described in Note 4.1

In 2016, the flow related to proceeds from sale of subsidiaries is mainly related to the sale of the Group's equity interest in Mexican Airport Operator OMA.

In 2016 as in 2015, the flow related to acquisition of non-consolidated investments is mainly due to the acquisition by Aéroports de Paris Management of the Chilean company Nuevo Pudahel.



### Groupe ADP Consolidated Financial Statements and notes as of December 31, 2016

#### ■ Purchase of property, plant & equipment and intangible assets

The amount of purchase of property, plant and equipment and intangible assets is broken down in the table below:

<i>(in millions of euros)</i>	Notes	2016	2015*
Purchase of intangible assets	6	(25)	(29)
Purchase of property, plant and equipment	6	(767)	(498)
<b>Purchase of property, plant, equipment and intangible assets</b>		<b>(792)</b>	<b>(527)</b>

\* Restated figures as described in Note 4.1

Details of this expenditure are as follows:

<i>(in millions of euros)</i>	2016	2015*
Renovation and quality	(255)	(186)
Increases in capacity	(220)	(148)
Cost of studies and supervision of works (FEST)	(90)	(74)
Real estate development	(122)	(50)
Restructuring	(69)	(33)
Security	(26)	(22)
Other	(10)	(14)
<b>Total</b>	<b>(792)</b>	<b>(527)</b>

\* Restated figures as described in Note 4.1

Major projects carried out by Aéroports de Paris SA at the end of December 2016 concern:

- ◆ investments at Paris-Charles de Gaulle Airport mainly related to:
  - works on the new head office of Aéroports de Paris SA ;
  - Further work to set up a system of conveying, handling and increasing security of luggages at departure hall located at the east of Terminal 2E;
  - rehabilitation of aircraft way 2;
  - studies and preparatory work for the project to renovate terminal 2B and its junction with the terminal 2D
  - transfer of ownership of pipelines formerly operated by the SMCA;
  - compliance work in order to improve the treatment of polluted water during the winter period;
  - start of construction works on the long distance connecting center located in the Hall L at Terminal 2E;
  - power supply of Paris-Charles de Gaulle in 225 KV;
  - the deployment of selfboarding at terminal 2E;
  - the redesign of the businesses in Hall K of Terminal 2E;
  - the rehabilitation of the train station (RER) in Roissy-pôle
- ◆ investments at Paris-Orly Airport mainly related to:
  - construction of the junction between the South and West terminals;
  - completion of the construction of the extension building of the Terminal South;
  - first phase of the renovation of aircraft way 4;
  - work on the new Pavillon d'Honneur;
  - preparatory work for the renovation of aircraft way 2 and its compliance with the standards of the European Aviation Safety Agency (EASA);
  - first phase of the construction of the bridge between the Cœur d'Orly and the South terminal;
  - work in connection with the construction of the Grand Paris station;
  - the inversion of the screening and border control posts of the international departure process of the South Terminal.
- ◆ Aéroports de Paris SA has also made significant investments in its support functions and projects common to both platforms in 2016, notably the purchase of luggage inspection equipment in the next generation, and IT developments for the loyalty program



▪ Dividends received

<i>(in millions of euros)</i>	2016	2015*
TAV Airports (Turkey)	41	38
Schiphol Group (Netherlands)	15	11
Société de Distribution Aéroportuaire	9	6
RELAY@ADP	2	1
SETA (Mexico)	2	2
Other	1	-
<b>Total</b>	<b>70</b>	<b>58</b>

\* Restated figures as described in Note 4.1

## NOTE 14 Related parties disclosure

In accordance with IAS 24, the Group discloses the following related parties:

- associated and jointly controlled companies;
- the State, public institutions and State participations;
- and its senior executives and shareholders.

Transactions with related parties are summarised as follows:

<i>(in millions of euros)</i>	Associates and jointly controlled companies		State or state participations		TOTAL GROUP	
	2016	2015*	2016	2015*	2016	2015*
Revenue	300	301	1,261	1,251	1,561	1,552
External expenses (inc. purchases of fixed assets)	-	-	146	70	146	70
Financial assets	19	19	-	-	19	19
Other assets	49	33	226	227	275	260
Financial liabilities	-	-	-	-	-	-
Other liabilities	4	2	119	107	123	109

\* Restated figures as described in Note 4.1

### 14.1 Relations with associated or jointly controlled companies

#### CDG EXPRESS

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

#### RETAIL JOINT VENTURES

As part of the development of commercial activities, Aéroports de Paris SA and the companies Société de Distribution Aéroportuaire, RELAY@ADP and EPIGO, sign agreements permitting these companies to operate within

Paris-Orly and Paris-Charles de Gaulle airports. Transactions between Aéroports de Paris SA and these companies relate to:

- ◆ Fees collected under the operational rights granted by Aéroports de Paris SA; and
- ◆ Rents for the occupation of sales areas.

#### TAV Construction

As part of the construction of a new headquarters in Paris-Charles de Gaulle, Aéroports de Paris SA grants the construction of the building to TAV Construction and the company Hervé.



## 14.2 Relations with the State and State participations

### RELATIONS WITH THE STATE

The French State holds 50.6% of the capital of Aéroports de Paris SA and 58.6% of the voting rights as at December 31, 2016. The State is entitled in the same way as any majority shareholder to control decisions that require approval by the shareholders.

Public authorities exercise control over Aéroports de Paris SA with regard to its status as a state-owned company and with regard to its duties, in particular its public service.

In this respect, agreements are regularly concluded with the State. The most significant agreements are listed below:

- ◆ The Economic Regulation Agreement relating to the 2016-2020 signed on 31 August 2015.
- ◆ Relationship with the Direction Générale de l'Aviation Civile (DGAC) - public service duties such as safety assignments, air transport securities and aircraft firefighting and rescue tasks carried out by Aéroports de Paris. The costs incurred in the performance of these duties are invoiced to Direction Générale de l'Aviation Civile (DGAC), which funds the airport tax charged to airlines to cover these costs. In 2016, revenues linked to airport security and safety amounted to €480 million (€486 million in 2015). At 31 December 2016, the receivable from the DGAC amounts to €93 million (€103 million at 31 December 2015).
- ◆ Agreement for the provision of real estate properties, utilities (electricity, heating, water),

### RELATIONS WITH AIR FRANCE-KLM

Transactions with Air France-KLM primarily concern:

- ◆ the invoicing of aeronautical and ancillary fees set by the Economic Regulation Agreement pursuant to the Civil Aviation Code;
- ◆ and rental costs invoiced related to the rental of land and buildings surrounding the airports.

## 14.3 Relations with senior executives and shareholders

### REMUNERATION OF SENIOR EXECUTIVES

Senior executives at Aéroports de Paris SA are: the Chairman and Chief Executive Officer, the members of the Executive Committee and the board members appointed by the General Meeting.

services (telecommunications, material, administrative and intellectual assistance) and training to the Air Navigation Service Provider ("DSNA"). This agreement was concluded on 27 July 2007 for a term of 15 years.

### RELATIONS WITH THE SOCIÉTÉ DU GRAND PARIS

In order to increase its passenger capacity at Paris-Orly Airport, Aéroports de Paris SA decided to construct a connecting building between the western and southern terminals of Paris-Orly Airport. Furthermore, as part of the development of the Grand Paris transport system; a metro station will be built to accommodate metro lines 14 and 18 at Paris-Orly airport. Completion is scheduled for 2024. For this purpose, two agreements have been signed between Aéroports de Paris SA and the Société du Grand Paris:

- ◆ an indemnity agreement signed on 9 January 2015, whereby the Société du Grand Paris compensates Aéroports de Paris SA for the additional costs to bear in the context of the construction of the aforementioned connecting building due to the fact that two tunnels, for Lines 14 and 18, will pass under this building. An amendment was made to this agreement on 9 August 2015;
- ◆ a joint project management agreement signed on 16 July 2015, relating to the construction at Paris-Orly Airport of a metro station to accommodate the 2 metro lines and airport facilities. Aéroports de Paris is named as the sole contractor for this project and will manage all works which are due for completion in 2024. An amendment to this agreement to clarify the terms and conditions for completion should be signed during the first half of 2017.

The remuneration granted to these executives amounted to €5.8 million in 2016, compared with €5.2 million in 2015. This change was mainly due to the addition of two additional members to executive committee. There is also one corporate officer less. This remuneration includes the short-term benefits (fixed and variable remuneration and benefits in kind), as well as the corresponding employers' fees and directors' fees.

### RELATIONS WITH VINCI

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



## NOTE 15 Off-balance sheet commitments

Off-balance sheet commitments and contingent assets and liabilities are presented below:

<i>(in millions of euros)</i>	As at Dec 31, 2016	As at Dec 31, 2015
Guarantees	2	2
Guarantees on first demand	86	57
Irrevocable commitments to acquire assets	405	501
Other	160	24
<b>Commitments granted</b>	<b>653</b>	<b>584</b>
Guarantees	60	54
Guarantees on first demand	233	237
Other	-	-
<b>Commitments received</b>	<b>293</b>	<b>291</b>

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

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

Irrevocable commitments to acquire assets which explains the main variation concern:

- works on the new head office of Aéroports de Paris,
- works on the connecting building between the western and southern terminals of Paris-Orly Airport;
- the system of conveying, handling and increasing security of luggages at departure hall located at the east of Terminal 2E;

Group's employee benefit commitments are presented in note 5.

The commitments received are mainly guarantees from the beneficiaries of AOTs (temporary authorisations to occupy public property or *Autorisation d'Occupation Temporaire du domaine public*), civil code leases, commercial concessions and suppliers.

In addition, pursuant to article 53 in the operating specifications of Aéroports de Paris SA, the minister in charge of Civil Aviation has a right of refusal regarding any contribution, disposal or grant of security involving certain plots of land – and the assets on such land – belonging to Aéroports de Paris SA. The lands concerned by this provision are listed in those same operating specifications.

The law of April 20, 2005 provides that in the event of a partial or total shutdown of air traffic at one of the airports owned by Aéroports de Paris SA, 70% of the capital gain due to the difference between the market value of the assets and the book value thereof must be paid to the French government. This provision relates in particular to the General Aviation Aerodromes.

## NOTE 16 Litigations, legal and arbitration proceedings

In accordance with IAS 37 Provisions, contingent Liabilities are defined as:

- a **possible obligation** that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- a **present obligation** that arises from past events but is not recognized because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or
  - the amount of the obligation cannot be measured with sufficient reliability.

In the ordinary course of its business, Groupe ADP is involved in a certain number of judicial and arbitral proceedings. The

Group is also subject to certain claims and lawsuits which fall outside the scope of the ordinary course of its business.



The amount of provisions made is based on Groupe ADP's assessment of the level of risk on a case-by-case basis and depends on its assessment of the basis for the claims, the stage of the proceedings and the arguments in its defense, it being specified that the occurrence of events during proceedings may lead to a reappraisal of the risk at any moment.

Main litigations and arbitration proceedings presented below are accounted as liability or depending on the case constitute contingent liabilities or assets.

- ◆ On 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.

- ◆ The construction company Bechtel is subject to a claim for damage from its customer NDIA as part of the construction project of the new airport at Doha in Qatar. ADP Ingénierie as subcontractor of Bechtel in this project is being challenged by Bechtel for services performed under that contract. Bechtel has submitted to ADP Ingénierie a request to reach an amicable settlement. In view of results of risk analysis that continues at ADP Ingénierie, the Group does not expect that the conclusion of this claim will have an adverse effect on its financial statements.

## NOTE 17 Subsequent events

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

The regulatory provisions lay down that Aéroports de Paris SA should present a new proposal for 2017 tariffs within one

month of the decision of the ASI, and that the latter is invited to issue its decision within 15 days of the new notification of tariffs.

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



## NOTE 18 Auditor's fees

The amounts of auditors' fees recorded in Aéroports de Paris SA and subsidiaries are as follows:

<i>(in thousands of euros)</i>	As at Dec 31, 2016			As at Dec 31, 2015		
	DELOITTE	KPMG	EY	DELOITTE	KPMG	EY
Parent company	380	-	358	380	-	529
Fully consolidated subsidiaries	195	71	145	61	174	98
<b>Audit, certification, inspection of individual and consolidated financial statements:</b>	<b>575</b>	<b>71</b>	<b>503</b>	<b>441</b>	<b>174</b>	<b>627</b>
Parent company	4	-	111	28	40	28
Fully consolidated subsidiaries	79	19	135	-	8	319
<b>Other inspections and services directly relating to the audit function:</b>	<b>83</b>	<b>19</b>	<b>246</b>	<b>28</b>	<b>48</b>	<b>347</b>
<b>Total</b>	<b>658</b>	<b>90</b>	<b>749</b>	<b>469</b>	<b>222</b>	<b>974</b>

The other inspections and services directly relating to the audit function mainly concern services provided by the statutory

auditors related to acquisition or disposal projects of the group and certificates.

## NOTE 19 Companies within the scope of consolidation

Entity	Address	Country	% stake	% control	Subsidiary of
Aéroports de Paris SA (Multi activities)	291 boulevard Raspail 75014 PARIS	France	PARENT	PARENT	
<b>Fully Consolidated Subsidiaries</b>					
<b>International and airport developments:</b>					
ADP Ingénierie	Aéroport d'Orly Parc central Zone sud - Bâtiment 641 91200 ATHIS-MONS	France	100%	100%	Aéroports de Paris SA
ADPi Middle East	Immeuble Baz - Rue Sursock BEYROUTH	Lebanon	100%	100%	ADP Ingénierie
ADPi Libya	El Nasser Street TRIPOLI	Libya	65%	65%	ADP Ingénierie
ADPi (Beijing) Architects and Engineers Design Co	ADPi Architects and Engineers Design Co, LTD Unit 1407A - No A302 Hua Teng Tower Jinsong 3rd zone Chaoyang District Beijing	China	100%	100%	ADP Ingénierie
Aéroports de Paris Management	291 boulevard Raspail 75014 PARIS	France	100%	100%	Aéroports de Paris SA
Jordan Airport Management	Ali Sharif Zu'bi Law Office PO Box 35267 AMMAN 11180	Jordan	100%	100%	ADP Management
ADPM Mauritius	C/o Legis Corporate Secretarial Services Ltd 3rd Floor, Jamalacs Building, Vieux Conseil Street, PORT-LOUIS	Mauritius	100%	100%	ADP Management
AMS - Airport Management Services (OSC)	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	75%	60%	ADP Management
Tank Öwa Alpha Gmbh	Teinfaltstrasse 8/4 A-1010 Vienna, AUSTRIA	Austria	100%	100%	Aéroports de Paris SA
Tank Öwc Beta Gmbh	Teinfaltstrasse 8/4 A-1010 Vienna, AUSTRIA	Austria	100%	100%	Aéroports de Paris SA
<b>Other activities:</b>					





## Financial information on the assets, financial position and consolidated financial statements

### Groupe ADP Consolidated Financial Statements and notes as of December 31, 2016

Hub One	à compter du 2 février 2017 Bâtiment Mercure - Continental Square 1 place de Londres 93290 TREMBLAY-EN-FRANCE	France	100%	100%	Aéroports de Paris SA
Hub One Mobility	5 route du Paisy 69570 Dardilly	France	100%	100%	Hub One
Hub Safe	Roissy-pole - Le Dôme 4 rue de la Haye 93290 TREMBLAY-EN- FRANCE	France	100%	100%	Aéroports de Paris SA
Hub Safe Nantes	Roissy-pole - Le Dôme 4 rue de la Haye 93290 TREMBLAY-EN- FRANCE	France	100%	100%	Hub Safe
Hub Safe Training	Roissy-pole - Le Dôme 4 rue de la Haye 93290 TREMBLAY-EN- FRANCE	France	100%	100%	Hub Safe
Hub Safe Régional	Roissy-pole - Le Dôme 4 rue de la Haye 93290 TREMBLAY-EN- FRANCE	France	100%	100%	Hub Safe
Hub Safe Event	Roissy-pole - Le Dôme 4 rue de la Haye 93290 TREMBLAY-EN- FRANCE	France	100%	100%	Hub Safe
Média Aéroport de Paris	17 rue Soyer 92200 Neuilly sur Seine	France	50%	50%	Aéroports de Paris SA
<b>Real estate:</b>					
Cœur d'Orly Investissement	Orlytech - Bat. 532 5 allée Hélène Boucher 91550 PARAY-VIELLE- POSTE	France	100%	100%	Aéroports de Paris SA
Cœur d'Orly Commerces Investissement	Orlytech - Bat. 532 5 allée Hélène Boucher 91550 PARAY-VIELLE- POSTE	France	100%	100%	Cœur d'Orly Investissement
Roissy Continental Square	291 boulevard Raspail 75014 PARIS	France	100%	100%	Aéroports de Paris SA
Ville Aéroportuaire Immobilier	291 boulevard Raspail 75014 PARIS	France	100%	100%	Aéroports de Paris SA
Ville Aéroportuaire Immobilier 1	291 boulevard Raspail 75014 PARIS	France	100%*	100%	Ville Aéroportuaire Immobilier
Aéroports de Paris Investissement	Orlytech - Bat. 532 5 allée Hélène Boucher 91550 PARAY-VIELLE- POSTE	France	100%	100%	Aéroports de Paris SA
Aéroports de Paris Investissement Nederland Bv	Locatellikade 1 1076AZ AMSTERDAM	Netherlands	100%	100%	ADP Investissement
SCI ROMEO	291 boulevard Raspail 75014 PARIS	France	100%	100%	ADP Investissement
SAS HOTEL RO 3	291 boulevard Raspail 75014 PARIS	France	100%	100%	Roissy Continental Square
<b>Aviation:</b>					
Fondation d'entreprise Aéroports de Paris	291 boulevard Raspail 75014 PARIS	France	100%	100%	Aéroports de Paris SA
<b>CO-ENTREPRISE (Integrated up to Group's share of balance sheet and profit &amp; loss)</b>					
<b>Other activities:</b>					
CDG Express Etudes	291 boulevard Raspail 75014 PARIS	France	33%	33%	Aéroports de Paris SA

\* 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.



## Financial information on the assets, financial position and consolidated financial statements

### Groupe ADP Consolidated Financial Statements and notes as of December 31, 2016

Entity	Address	Country	% stake	% control	Holding of
<b>Associates (operating entities)</b>					
<b>International and airport developments:</b>					
Schiphol Group	Evert van de Beekstraat 202 1118CP LUCHTHAVEN SCHIPHOL	Netherlands	8%	8%	Aéroports de Paris SA
TAV Havalimanlari Holding (TAV Airports)	Istanbul Ataturk Airport international terminal 34149 Yesilkoy - ISTANBUL	Turkey	38%	38%	Tank Öwa Alpha GmbH
TAV Yatirim Holding (TAV Construction)	Istanbul Ataturk Airport international terminal 34149 Yesilkoy - ISTANBUL	Turkey	49%	49%	Tank Öwa Beta GmbH
MZLZ Retail Ltd	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	50%	50%	Société de Distribution Aéroportuaire
Sociedad Concesionaria Nuevo Pudahuel SA (SCNP)	Aeropuerto Internacional Arturo Merino Benítez de Santiago, Rotonda Oriente, 4° piso, comuna de Pudahuel, Santiago, Chili	Chile	45%	45%	ADP Management
Zaic-A Limited	1 Park Row, Leeds, LS1 5AB, United Kingdom	United Kingdom	26%	21%	ADP Management & TAV Airports
Upravitelj Zračne Luke Zagreb	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	26%	21%	Zaic-A Limited
Medunarodna Zračna Luka Zagreb	Ulica Rudolfa Fizira 1 10150 Velika Gorica Croatie	Croatia	26%	21%	Zaic-A Limited
Consortio PM Terminal Tocumen SA	Terminal Sur S.A. AV DOMINGO DIAZ Panama , Rep. De Panama	Panama	36%	36%	ADP Ingénierie
Ravinala Airports	Escalier C, Zone Tana Water Front – Ambodivona 101 Antananarivo, Madagascar	Madagascar	35%	35%	ADP Management
<b>Real estate:</b>					
Transport Beheer	Haarlemmermeer de Beekstraat 314 1118CX SCHIPHOL AIRPORT	Netherlands	40%	40%	ADP Investissement
Transport CV	Haarlemmermeer de Beekstraat 314 1118CX SCHIPHOL AIRPORT	Netherlands	40%	40%	ADP Investissement Bv
SCI Cœur d'Orly Bureaux	8 avenue Delcasse 75008 PARIS	France	50%	50%	Cœur d'Orly Investissement
SNC Cœur d'Orly Commerces	8 avenue Delcasse 75008 PARIS	France	50%	50%	Cœur d'Orly Comm. Invest.
<b>Retail and services:</b>					
Société de Distribution Aéroportuaire	114 avenue Charles de Gaulle 92200 NEUILLY-SUR-SEINE	France	50%	50%	Aéroports de Paris SA
RELAY@ADP	55 rue Deguingand 92300 Levallois Perret	France	50%	50%	Aéroports de Paris SA
ADPLS Présidence	291 boulevard Raspail 75014 PARIS	France	50%	50%	Aéroports de Paris SA
EPIGO Présidence	3 place de Londres – bâtiment Uranus – Continental Square 1 – Aéroport Roissy Charles de Gaulle – 93290 Tremblay en France	France	50%	50%	Aéroports de Paris SA



## Financial information on the assets, financial position and consolidated financial statements

### Groupe ADP Consolidated Financial Statements and notes as of December 31, 2016

EPIGO	3 place de Londres – bâtiment Uranus – Continental Square 1 – Aéroport Roissy Charles de Gaulle – 93290 Tremblay en France	France	50%	50%	Aéroports de Paris SA
<b>Associates (non-operating entities)</b>					
<b>Real estate:</b>					
SCI Roissy Sogaris	Avenue de Versailles RN 186 94150 RUNGIS	France	40%	40%	Aéroports de Paris SA
<b>International and airport developments:</b>					
Liège Airport	Aéroport de Bierset 4460 GRÂCE-HOLLOGNE	Belgium	26%	26%	ADP Management
<b>Other activities:</b>					
Alacrité	299 boulevard de Leeds – World Trade center Lille Services SAS espace International – 59777 Euraille	France	24%	24%	Hub One



## Financial information on the assets, financial position and consolidated financial statements

### Groupe ADP Consolidated Financial Statements and notes as of December 31, 2016

As part of its development, the Group has to take stakes in airports companies or creating subsidiaries dedicated to the exercise of its activities in France and abroad, and, in particular, the execution of services contracts.

These entities represent individually less than 1 % of consolidated revenue, operating income and net income for the period.

Entity	Activities	Country	% ownership	Owned by
<b>INVESTMENTS IN COMPANIES NOT RELEVANT TO THE SCOPE (without activity or negligible activity)</b>				
<b>International and airport developments :</b>				
ADPM 1	For airport operations	France	100%	Aéroports de Paris Management
ADPM 2	For airport operations	France	100%	Aéroports de Paris Management
ADPM 3	For airport operations	France	100%	Aéroports de Paris Management
Philippines Airport Management Company	For airport operations	France	50%	Aéroports de Paris Management
SOGEAC	Concession of Conakry airport	Guinea	29%	Aéroports de Paris Management
LGA Central Terminal LLC	Created for the submission of tenders for the concession of LaGuardia in New York	United States of America	15%	Aéroports de Paris Management
ATOL	Concession of International Airport	Mauritius	10%	Aéroports de Paris Management
Airport International Group	Concession of Amman Airport	Jordan	10%	Aéroports de Paris Management
Matar	Operating contract of the Hadj terminal in Djeddah	Saudi Arabia	5%	Aéroports de Paris Management
U&A Architects & Engineers Co Ltd	Engineering, technical studies	China	40%	ADP Ingénierie
<b>Other activities :</b>				
Cargo Information Network France	Computer programming	France	50%	Aéroports de Paris
C2FPA	Airport Fire Training Center	France	21%	Aéroports de Paris
CCS France	Computer programming	France	20%	Aéroports de Paris
IDF Capital	Capital risk in Ile-de-France	France	1%	Aéroports de Paris
Civipol Conseil	Promotion of the Ministry of Interior skills	France	1%	Aéroports de Paris
PACIFA	Software company	France	12%	Aéroports de Paris
Pole Star	Engineering, technical studies	France	13%	Hub One
Bolloré Télécom	Telecommunications	France	2%	Hub One
SoffToGo	Portage of software	Argentina	95%	Hub One

